

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
<u>McLANE</u>	EXHIBIT NO. <u>1</u>
CASE NO. <u>10498</u>	

CASE NO. 10498  
Order No. R-9690

APPLICATION OF CHARLES GILLESPIE  
FOR COMPULSORY POOLING AND A NON-  
STANDARD OIL SPACING AND PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

*McLane Exhibits 1  
through 4  
Complete set*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 25, 1992,  
at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 1st day of July, 1992, the Division Director,  
having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS THAT:

(1) Due public notice having been given as required by law,  
the Division has jurisdiction of this cause and the subject matter  
thereof.

(2) The applicant, Charles Gillespie, seeks an order pooling  
all mineral interests from the surface to the base of the Strawn  
formation underlying Lot 3 of Section 1, Township 16 South, Range  
35 East, NMPM, Lea County, New Mexico, forming a non-standard  
51.08-acre oil spacing and proration unit. Said unit is to be  
dedicated to a well to be drilled at a standard oil well location  
thereon.

(3) The applicant has the right to drill and proposes to  
drill its Speight Well No. 1 at a standard oil well location as  
described above.

(4) The proposed non-standard oil proration unit is  
necessitated by a variation in the legal subdivision of the United  
States Public Lands Survey.

(5) There are interest owners in the proposed proration unit  
who have not agreed to pool their interests.

(6) To avoid the drilling of unnecessary wells, to protect  
correlative rights, to avoid waste, and to afford to the owner of  
each interest in said unit the opportunity to recover or receive

without unnecessary expense his just and fair share of the production in any pool completion resulting from this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) The applicant should be designated the operator of the subject well and unit.

(8) Any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(9) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(10) Any non-consenting working interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(11) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(12) \$5000.00 per month while drilling and \$500.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(13) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(14) Upon the failure of the operator of said pooled unit to commence the drilling of the well to which said unit is dedicated on or before October 1, 1992, the order pooling said unit should become null and void and of no effect whatsoever.

(15) Should all the parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(16) The operator of the well and unit shall notify the

Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, are hereby pooled forming a non-standard 51.08-acre oil spacing and proration unit, also hereby approved. Said unit shall be dedicated to the applicant's proposed Speight Well No. 1 to be drilled at a standard oil well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 1st day of October, 1992, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Strawn formation.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 1st day of October, 1992, Ordering Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division Director for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (1) of this order should not be rescinded.

(2) Charles Gillespie is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is objection to actual well costs within

said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated well costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$5000.00 per month while drilling and \$500.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in

escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

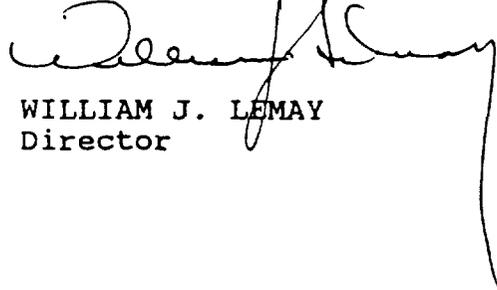
(13) Should all the parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(15) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

OIL & GAS LEASE

13th August, 92

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ between \_\_\_\_\_

Nancy O'Connor, a married woman dealing with her sole and separate property, of 10756 Main Street, #201, Fairfax, VA 22030

(Post Office Address)

Monty D. McLane, P.O. Box 9451, Midland, Texas 79708

herein called lessor (whether one or more) and \_\_\_\_\_ lessee:
1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in \_\_\_\_\_ County, New Mexico, to-wit:

T-16-S R-35-E NMPM
Section 1: Lots 3,4,5, & 6

\* Royalties designated below in Paragraph 3 shall be read as 1/5.

182.00

Said land is estimated to comprise \_\_\_\_\_ acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of \_\_\_\_\_ 1 \_\_\_\_\_ years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, \_\_\_\_\_ \* \_\_\_\_\_ of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of \_\_\_\_\_ \* \_\_\_\_\_ of the gas used,

provided that on gas sold on or off the premises, the royalties shall be \_\_\_\_\_ \* \_\_\_\_\_ of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dewateres such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
MCLANE EXHIBIT NO. 2
CASE NO. 10498

Executed the day and year first above written.

8-18-92

Nancy O'Connor
Nancy O'Connor

STATE OF District of Columbia  
County of Washington

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of August, 1992 by Nancy O'Connor, a married woman dealing with separate property

My Commission expires April 14, 1994 [Signature] Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_ Notary Public

No. **27203**

OIL AND GAS LEASE  
NEW MEXICO

FROM  
LEA COUNTY, NEW MEXICO

TO  
COUNTY, NEW MEXICO

Date \_\_\_\_\_, 19\_\_\_\_  
Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_  
No. of Acres \_\_\_\_\_  
County, New Mexico

Term \_\_\_\_\_

STATE OF NEW MEXICO  
COUNTY OF Lea

I hereby certify that this instrument was filed for record on the 31st day of August, A. D., 1992, at 9:34 o'clock A. m., and was duly recorded in Book 479 at Page 518 of the Records of said County.

By [Signature] Deputy  
[Signature] County Clerk

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_, \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_, \_\_\_\_\_ Notary Public

OIL & GAS LEASE

THIS AGREEMENT made this 14th day of August 1992, between

Lewis E. McLaughlin and wife, Lois M. McLaughlin of 384 Lancaster Ave., Port Charlotte, FLA 33952

(Post Office Address)

Monty D. McLane, P.O. Box 9451, Midland, Texas 79708

herein called lessor (whether one or more) and lessee: 1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, including gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

T-16-S R-35-E NMPM Section 1: Lots 3,4,5, & 6

\* Royalties designated below in Paragraph 3 shall be read as 1/5

182.00

Said land is estimated to comprise \_\_\_\_\_ acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of 1 years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled. \*

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, \_\_\_\_\_ of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of \_\_\_\_\_ of the gas used,

provided that on gas sold on or off the premises, the royalties shall be \_\_\_\_\_ of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter, if any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

Lois M. McLaughlin

Lewis E. McLaughlin

FL DR 41 M242-533-23955 FL DR 41 M242-525-20322

STATE OF Florida

County of CHARLOTTE

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this 15<sup>TH</sup> day of August, 19 92 by Lewis E. McLaughlin and wife, Lois M. McLaughlin

My Commission expires NOTARY PUBLIC, STATE OF FLORIDA  
MY COMMISSION EXPIRES: Oct. 19 1995  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Richard E. Brantley  
Notary Public



STATE OF \_\_\_\_\_

County of \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19 \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_

County of \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19 \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_

County of \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19 \_\_\_\_\_ Notary Public

No. **27204**

OIL AND GAS LEASE  
NEW MEXICO

FROM  
TO  
COUNTY CLERK

Date \_\_\_\_\_, 19 \_\_\_\_\_  
Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_  
No. of Acres \_\_\_\_\_ County, New Mexico

Term \_\_\_\_\_

STATE OF NEW MEXICO  
COUNTY OF Dea

I hereby certify that this instrument was filed for record on the 3/5<sup>TH</sup> day of August, A. D., 19 92, at 9:34 o'clock A.m., and was duly recorded in Book 479 at Page 520 of the Records of said County.

BY Carolyn Hernandez Deputy  
Pat Chappelle County Clerk

STATE OF \_\_\_\_\_

County of \_\_\_\_\_

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_

County of \_\_\_\_\_

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_ Notary Public

OIL & GAS LEASE

THIS AGREEMENT made this 13th day of August, 1992, between

Henry W. Lawton, a married man dealing with his sole and separate property, of Box 161, Portville, NY 14770

of (Post Office Address) Monty D. McLane, P.O. Box 9451, Midland, Texas 79708

herein called lessor (whether one or more) and

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, reflecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

T-16-S R-35-E NMPM  
Section 1: Lots 3,4,5, & 6

\* Royalties designated below in Paragraph 3 shall be read as 1/5.

182.00

Said land is estimated to comprise \_\_\_\_\_ acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of 1 years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, \_\_\_\_\_ of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced

from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of \_\_\_\_\_ of the gas used,

provided that on gas sold on or off the premises, the royalties shall be \_\_\_\_\_ of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or denhydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

  
Henry W. Lawton

STATE OF New York

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of Catt

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of August, 1992 by ANDREW Henry W. Lawton, a married man dealing with separate property

PATRICIA A. VA Notary Public in the State of New York

Allegany County

My Registration No. 4726897 Commission Expires 8/31-94

1994

Patricia A. Va Notary Public

STATE OF \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_

Notary Public

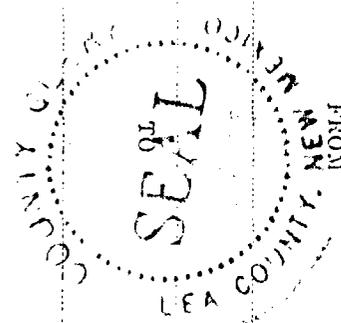
By Carolyn Hummer Deputy

Pat Chappelle County Clerk

I hereby certify that this instrument was filed for record on the 31<sup>st</sup> day of August, A. D., 1992, at 9:34 o'clock A. m., and was duly recorded in Book 479 at Page 522 of the Records of said County.

STATE OF NEW MEXICO & COUNTY OF Dea

Term \_\_\_\_\_  
No. of Acres \_\_\_\_\_  
Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_  
Date \_\_\_\_\_, 19\_\_\_\_  
County, New Mexico



No. 27205  
OIL AND GAS LEASE  
NEW MEXICO

STATE OF \_\_\_\_\_

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

Notary Public

## OIL &amp; GAS LEASE

13th

August,

92

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, between \_\_\_\_\_

Joan Sermak, a married woman dealing with her sole and separate property, of 1401 Quail Canyon, San Bernadino, CA 92404

of \_\_\_\_\_

(Post Office Address)

herein called lessor (whether one or more) and Monty D. McLane, P.O. Box 9451, Midland, Texas 79708, lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

T-16-S R-35-E NMPM  
Section 1: Lots 3,4,5, & 6

\* Royalties designated below in Paragraph 3 shall be read as 1/5.

182.00

Said land is estimated to comprise \_\_\_\_\_ acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of \_\_\_\_\_ 1 \_\_\_\_\_ years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, \_\_\_\_\_ \* \_\_\_\_\_ of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of \_\_\_\_\_ \* \_\_\_\_\_ of the gas used,

provided that on gas sold on or off the premises, the royalties shall be \_\_\_\_\_ \* \_\_\_\_\_ of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

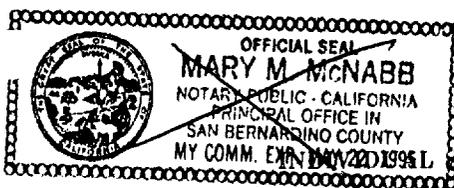
10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

August 19, 1992

Joan Sermak



OFFICIAL SEAL  
MARY M. McNABB  
NOTARY PUBLIC - CALIFORNIA  
PRINCIPAL OFFICE IN  
SAN BERNARDINO COUNTY  
MY COMM. EXP. MAY 22, 1995

STATE OF California  
County of SAN BERNARDINO

ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this 19th day of August, 1992 by Joan Sermak, a married woman dealing with separate property  
\* \* \* \* \*

My Commission expires May 22, 1995. Mary M. McNabb Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_ INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_. \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_ INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_. \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_ INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_, 19\_\_\_\_. \_\_\_\_\_ Notary Public

By Pat Chappelle County Clerk  
Deputy Deputy  
I hereby certify that this instrument was filed for record on the 31st day of August, A. D., 1992, at 9:34 o'clock A. m., and was duly recorded in Book 479 at Pages 5 & 4 of the Records of said County.

STATE OF NEW MEXICO  
COUNTY OF Dea  
I hereby certify that this instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, A. D., 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ m., and was duly recorded in Book \_\_\_\_\_ at Pages \_\_\_\_\_ of the Records of said County.

No. 27206  
OIL AND GAS LEASE  
NEW MEXICO  
COUNTY CLERK  
TO  
COUNTY CLERK  
NEW MEXICO

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_ CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_ CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_ Notary Public

0 & C 479 PAGE 525

STATE OF NEW YORK

SURROGATE'S COURT

COUNTY OF

In the Matter of Proving the Last Will and Testament of

Henry H. Lawton

Deceased.

PAID

Form 1

DEC 9 1980

FEE \$ 180.00
SURROGATE'S OFFICE
CATARAUGUS COUNTY
LITTLE VALLEY, N. Y.

PAID

APR 9 1980

FEE \$ 20.00
SURROGATE'S OFFICE
CATARAUGUS COUNTY
LITTLE VALLEY, N. Y.

File No.

To the Surrogate's Court, County of Cattaraugus

It is respectfully alleged:

(1) The name(s), domicile(s) (or, in the case of a bank or trust company, its principal office) and interest(s) in this proceeding of the petitioner(s) are as follows:

Name: Henry W. Lawton

Domicile or Principal Office: P. O. Box 161, 863 Smith Road, Portville, New York

(City, Village or Town) Portville

(State) New York

Name:

Domicile or Principal Office:

(Street and Number)

(City, Village or Town)

(State)

Interest (s) of Petitioner (s):

(Check one)

[X] Executor(s) named in decedent's Last Will presented herewith

[ ] Other (Specify)

(2) The name, domicile, date and place of death, and national citizenship of the above-named deceased are as follows:

(a) Name: Henry H. Lawton

(b) Date of death March 6, 1980

(c) Place of death Olean, New York

(d) Domicile Street Allegany Nursing Home

City, Town, Village Allegany

County Cattaraugus

State New York

(e) Citizen: (Subject) of United States

(3) The Last Will, herewith presented, relates to both real and personal property and consists of an instrument or instruments dated as shown below and signed at the end thereof by the decedent and the following subscribing witnesses:

(Date of Will) February 5, 1960

(Witnesses to Will) Earl H. Hornburg
Arthur C. Hornburg

(Date of Codicil) January 27, 1977

(Witnesses to Codicil) Arthur L. Osborne
Mary Ann Shea

(4) There is no other will or codicil of the decedent on file in the office of the court, and upon information and belief, there exists no will, codicil or other testamentary instrument of the decedent later in date to any of the instruments mentioned in paragraph (3) hereof, except

(5) The decedent left surviving:

(a) [ no ] Spouse (husband/wife).

(b) [ x ] Child or children, or descendants or predeceased child or children.

(c) [ no ] Father/mother.

(d) [ ] Brothers or sisters, either of the whole or half-blood; or descendants of such predeceased brothers or sisters.

(e) [ ] Grandfather/grandmother.

(f) [ ] Uncles or aunts.

(g) [ ] Descendants of predeceased uncles or aunts.

(Information is required only as to those classes of surviving relatives who would take the property of decedent if there were no will. The term "child or children" includes adopted as well as natural children. State number of survivors in each such class. Insert "X" in all subsequent classes. Insert "NO" in all prior classes.

(6) The names, relationships, and addresses of all distributees, of each person designated in the Last Will herewith presented as primary executor, of all persons adversely affected by the purported exercise by such Will of any power of appointment, of all persons adversely affected by any codicil and of all persons having an interest under any prior will of the

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
McLANE EXHIBIT NO. 3
CASE NO. 10498

decedent on file in the Surrogate's office, are hereinafter set forth in subdivisions (a) and (b):

(a) All persons and parties so interested who are of full age and sound mind, or which are corporations or associations, are as follows:

Name and Address	Relationship	Description of Legacy, Devise or Other Interest, or Nature of Fiduciary Status
Henry W, Lawton, P. O. Box 161, 863 Smith Road, Portville, N.Y.	son	1/3 residuary estate
Joan Sermak, 1404 Quail Canyon Road San Bernardino, California	daughter	1/3 residuary estate
Nancy A. O. Connor, 10756 Main Street, Apt. 201 Fairfax, Virginia	daughter	1/3 residuary estate

(b) All persons so interested who are persons under disability as defined in SCPA 103(37), are as follows:

(Please furnish all information specified in NOTE below.)

None

(Note: In the case of each infant, state (a) name, birth date, age, relationship to decedent, residence address, and the person with whom he resides; (b) whether or not he has a general or testamentary guardian, and whether or not his father, or if dead, his mother, is living; and (c) the name and residence address of any guardian and any living parent. In the case of each other person under disability state (a) name, relationship to decedent, and residence address; (b) facts regarding his disability, including whether or not a committee has been appointed and whether or not he has been committed to any institution; and (c) the names and address of any committee, any person or institution having care and custody of him, and any relative or friend having an interest in his welfare. In the case of person confined as a prisoner, state place of incarceration. In the case of unknowns, describe such persons in the same language as will be used in the process. In each case give a brief description of the party's legacy, devise or other interest as in paragraph (6)(a) hereof.)

(7) The names and domiciliary addresses of all substitute or successor executors and of all trustees, guardians, legatees and devisees, and other beneficiaries named in the Last Will herewith presented, other than those named in Paragraph (6), are hereinafter set forth in subdivisions (a) and (b):

(a) All such other legatees and devisees who are of full age and sound mind, or which are corporations or associations, are as follows:

Name	Address	Description of Legacy, Devise or Other Interest, or Nature of Fiduciary Status
------	---------	--

None

(b) All such other legatees, devisees and other beneficiaries who are persons under disability, are as follows:  
(Please furnish all information specified in NOTE to paragraph (6)(b) hereof.)

None

(8) There are no persons, corporations, or associations interested in this proceeding other than those hereinabove mentioned.

(9) To the best of the knowledge of the undersigned, the approximate total value of all property constituting the decedent's gross testamentary estate is not more than \$ ~~25,000~~ 9,000 nor less than \$ 5,000

(10) Upon information and belief, no other petition for the probate of any will of the decedent or for the granting of letters of administration on the decedent's estate has heretofore been filed in any Court.

WHEREFORE your petitioner(s) pray(s) (a) that process be issued to all necessary parties to show cause why the Last Will herewith presented should not be admitted to probate; (b) that an order be granted directing the service of process pursuant to the provisions of article 3 of the SCPA, upon the persons named in paragraph (6) hereof who are non-domiciliaries, or whose names or whereabouts are unknown and cannot be ascertained; and (c) that such Last Will be admitted to probate as a will of real and personal property and that letters issue thereon as follows:

(Check and complete appropriate request.)

- Letters Testamentary to Henry W. Lawton
- Letters of Trusteeship to

Dated: April 2 1980



(Petitioner)

Henry W. Lawton

(Petitioner)

STATE OF NEW YORK  
COUNTY OF Cattaraugus

} ss.:

COMBINED VERIFICATION,  
OATH AND DESIGNATION

(For use when a petitioner to be appointed executor is not a bank or trust company)

I, the undersigned, Henry W. Lawton

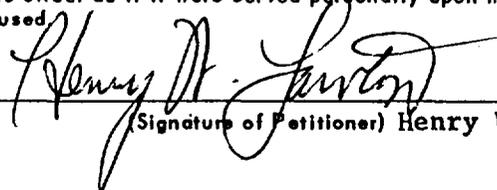
being duly sworn, say:

(1) VERIFICATION: I have read the foregoing petition subscribed by me and know the contents thereof, and the same is true of my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters I believe it to be true.

(2) OATH OF EXECUTOR: I am over twenty-one (21) years of age and a citizen of the United States; I am the executor(trix) named in the Last Will described in the foregoing petition and will well, faithfully and honestly discharge the duties of such executor(trix), and the trust reposed in me and duly account for all moneys or other property which may come in to my hands. I am not ineligible to receive letters.

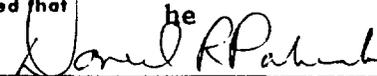
(3) DESIGNATION OF CLERK FOR SERVICES OF PROCESS: I do hereby designate the Clerk of the Surrogate's Court of Cattaraugus County, and his or her successor in office as a person on whom service of any process issuing from such Surrogate's Court may be made, in like manner and with like effect as if it were served personally upon me whenever I cannot be found and served within the State of New York after due diligence used. My domicile is

Portville, New York



(Signature of Petitioner) Henry W. Lawton

On April 2 19 80, before me personally came Henry W. Lawton to me known to be the person described in and who executed the foregoing instrument. Such person duly swore to such instrument before me and duly acknowledged that he executed the same.



(Notary Public)

Comm. Expires March 30, 1982

STATE OF NEW YORK  
COUNTY OF

} ss.:

COMBINED VERIFICATION,  
CONSENT AND DESIGNATION

(For use when a petitioner to be appointed executor  
is a bank or trust company)

I, the undersigned, a

(Title)

of

(Name of Bank or Trust Company)

being duly sworn, say:

(1) VERIFICATION: I have read the foregoing petition subscribed by me and know the contents thereof, and the same is true of my own knowledge, except as to those matters therein stated to be alleged upon information and belief, and as to those matters I believe it to be true.

(2) CONSENT: corporation/national banking association under the laws of hereby accepts its appointment as executor of the Last Will described in the foregoing petition and consents to act as such executor.

(3) DESIGNATION: corporation/national banking association under the laws of having an office

hereby designated the Clerk of the Surrogate's Court of County, and his or her successor in office, as a person on whom service of any process issuing from such Surrogate's Court may be made, in like manner and with like effect as if it were served personally upon such corporation/national banking association, whenever one of its proper officers cannot be found and served within the State of New York, after due diligence used.

(Signature and Title)

(Name of Bank or Trust Company)

By: (Signature and Title)

ATTEST:

(Signature and Title)

On

, 19

before me personally came, to me known, who duly swore to the foregoing instrument and who did say that he resides at and that he is a of the corporation/national banking association described in and which executed such instrument; that he knows the seal of such Board of Directors of such ; that the seal affixed to such instrument is such seal and was so affixed by order of the and that he signed his name thereto by like authority.

(Notary Public)

RECEIVED

APR 9 1980

SURROGATE COURT  
CATTARAUGUS COUNTY  
LITTLE VALLEY, N. Y.

Hazel Wright - Deputy Clerk

ATTORNEY

Name of Attorney

DiGerbo and Palumbo (Daniel P. Palumbo)

Tel. No. 373 2165

Address of Attorney

410 Bank of New York Building, Olean, New York

**State of New York**  
**County of Cattaraugus,**  
**Surrogate's Court**

SS.

I, ..... Florence J. Fuller, Chief ..... Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Petition for Probate of Will verified the 2nd day of April, 1980 in the matter of the estate of Henry H. Lawton, Deceased

with the original ..... thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original .....

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this ..... 25th ..... day of August ....., in the year of our Lord one thousand nine hundred and ..... ninety-two .....

(Seal)

*Florence J. Fuller*

Chief Clerk of the Surrogate's Court.

SURROGATE'S COURT  
COUNTY OF CATTARAUGUS.

BE IT REMEMBERED, That in pursuance of Section 1422 of the Surrogate's Court Procedure Act, I hereby certify that on the 15th day of April, 1980, the last will and testament of Henry H. Lawton, deceased, being the following written instrument, was upon due proof duly admitted to probate by the Surrogate's Court of the County of Cattaraugus, and by the Surrogate of said County as and for the last will and testament and codicil thereto of said deceased, and as a will valid to pass real and personal property, and that said will is recorded in this office.

(L.S.)

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of office of the Surrogate of said County, this 15th day of April, 1980

Hazel Wright  
Deputy Clerk of the Surrogate's Court

A. I give and bequeath all of my household furniture, furnishings, household effects and any automobile which I may own at the time of my death, unto my daughters JOAN C. SERMAK and NANCY ANN O'CONNOR and my son, HENRY W. LAWTON, to be divided equally among those surviving me share and share alike.

B. If my daughter, MARY JANE LAWTON shall be living at the time of my death and my wife FLORENCE E. LAWTON should not survive me, then in such event, I give and bequeath unto THE FIRST NATIONAL BANK OF OLEAN, N.Y. and my son, HENRY W. LAWTON, as co-trustees, the sum of Ten Thousand Dollars (\$10,000.00) IN TRUST, however, for the following uses and purposes to wit:

1. To hold, possess, manage and control said trust and every part thereof with full power to lease, sell, exchange, transfer, mortgage, convey or otherwise dispose of the same on such terms and in such manner and for such price or prices as to my said trustees shall seem proper, and to invest and re-invest all money which comes into their hands as such trustee in such securities, bonds, mortgages or other property as my trustees shall deem proper and to hold as a part of said trust, if they so desire, such property and securities as I may own at the time of my death including fractional shares thereof, and I further direct

# Last Will and Testament,

I, -----HENRY H. LAWTON -----of the  
City of Olean in the County of Cattaraugus  
and State of New York being of sound mind and memory, do make,  
publish and declare this my last **Will and Testament**, in manner following that  
is to say:

**First.** I direct the payment of all my just debts and  
funeral expenses.

**SECOND:** I give, devise and bequeath all of the rest,  
residue and remainder of my estate, both real and personal and of  
every kind, nature and description and wheresoever situated, unto my  
wife, FLORENCE E. LAWTON, if she shall survive me.

**THIRD:** If my wife, FLORENCE E. LAWTON should not survive  
me or if we should both die at the same time or as the result of a  
common accident or disaster so that it cannot be determined with reason-  
able certainty which of us survived, then I give, devise and bequeath  
my entire estate both real and personal as follows:

A. I give and bequeath all of my household furniture,  
furnishings, household effects and any automobile which I may own at  
the time of my death, unto my daughters JOAN C. SERMAK and NANCY ANN  
O'CONNOR and my son, HENRY W. LAWTON, to be divided equally among those  
surviving me share and share alike.

B. If my daughter, MARY JANE LAWTON shall be living  
at the time of my death and my wife FLORENCE E. LAWTON should not survive  
me, then in such event, I give and bequeath unto THE FIRST NATIONAL BANK  
OF OLEAN, N.Y. and my son, HENRY W. LAWTON, as co-trustees, the sum of  
Ten Thousand Dollars (\$10,000.00) IN TRUST, however, for the following  
uses and purposes to wit:

1. To hold, possess, manage and control said  
trust and every part thereof with full power to lease,  
sell, exchange, transfer, mortgage, convey or otherwise  
dispose of the same on such terms and in such manner  
and for such price or prices as to my said trustees  
shall seem proper, and to invest and re-invest all  
money which comes into their hands as such trustee in  
such securities, bonds, mortgages or other property  
as my trustees shall deem proper and to hold as a part  
of said trust, if they so desire, such property and  
securities as I may own at the time of my death includ-  
ing fractional shares thereof, and I further direct

that said trustees shall not be restricted to the class of investment which a trustee shall or may hereafter be required or permitted by law to make, but may hold, invest, and re-invest in such property and securities as they shall deem for the best interest of the estate.

2. To collect the rents, interest, dividends and income therefrom and to apply so much of the income therefrom as may be necessary in the sole discretion of my said trustees for the support, maintenance and welfare of my daughter, MARY JANE LAWTON, and accumulate any surplus income until her death, with the further right to use such accumulated income in their discretion for her support, maintenance and welfare, and at her death, said trust shall cease and I direct that from the principal of said trust the sum of Five Thousand Dollars (\$5,000.00) be paid to my son, HENRY W. LAWTON, if he shall then be living and the remaining principal, and any accumulated or accrued income not paid or applied to the use of my said daughter, Mary Jane Lawton, be divided equally among such of my children, JOAN C. SERMAK, NANCY ANN O'CONNOR and HENRY W. LAWTON, as shall then be living, but on the distribution of such trust assets if any of my said children shall have predeceased Mary Jane Lawton leaving issue then surviving, I give and bequeath the share of such deceased child so dying to such issue per stirpes. As explanation for the larger gift to my son, Henry, it is my expectation that if my said daughter, Mary Jane Lawton by reason of any ~~physical~~, mental or other condition whatsoever shall require treatment or confinement in any hospital, sanitarium or institution, he shall investigate and select such proper institution, make frequent visitations, and see that her personal desires and needs are provided for from trust income.

C. All the rest, residue and remainder of my estate, both real and personal and of every kind and nature and wherever situated, I give, devise and bequeath equally to such of my children, JOAN C. SERMAK, NANCY ANN O'CONNOR and HENRY W. LAWTON, as shall survive me, but if any of my said daughters, JOAN C. SERMAK or NANCY ANN O'CONNOR, or my said son, HENRY W. LAWTON should die prior to my death leaving issue of her or of him surviving me, then I give, devise and bequeath unto the issue of said deceased daughter or son, the share in my estate which the parents would have taken if living, said share to be divided among said issue per stirpes.

FOURTH: I hereby authorize and empower my executrix or executor hereinafter named to sell, convey or lease any and all real estate of which I may die seized.

**Lastly** I hereby appoint my wife, FLORENCE E. LAWTON, as sole executrix of my last Will and Testament, and if she shall not survive me, then I appoint THE FIRST NATIONAL BANK OF OLEAN, N.Y., sole execut or of this, my last Will and Testament: hereby revoking all former wills by me made.

**In Witness Whereof**, I have hereunto subscribed my name the 5<sup>th</sup> day of February in the year Nineteen Hundred and Sixty (1960)

*Henry H. Lawton*



We, whose names are hereto subscribed, **Do Certify** that on the 5<sup>th</sup> day of February 19 60 HENRY H. LAWTON

the testator above named, subscribed his name to this instrument in our presence and in the presence of each of us, and at the same time, in our presence and hearing, declared the same to be his last Will and Testament, and requested us, and each of us, to sign our names thereto as witnesses to the execution thereof, which we hereby do in the presence of the testator and of each other, on the day of the date of the said Will, and write opposite our names our respective places of residence.

*E. J. Schaubert* residing at *Olean, N.Y.*  
*Arthur C. Hornburg* residing at *Olean, N.Y.*

FIRST CODICIL  
TO  
LAST WILL AND TESTAMENT

I, HENRY H. LAWTON, of the City of Olean in the County of Cattaraugus and State of New York, being of sound mind and memory, do make, publish and declare this First Codicil to my Last Will and Testament, in manner following, that is to say:

WHEREAS, under date of February 5, 1960, I did make, publish and declare my Last Will and Testament, and

WHEREAS, it is now my desire to make certain changes,

NOW, THEREFORE, I do hereby amend my Last Will and Testament as follows:

FIRST: I revoke all provisions for my wife, Florence E. Lawton, and my daughter, Mary Jane Lawton, specified under Paragraphs "SECOND" and "THIRD" of said Will since they have both predeceased me.

SECOND: Paragraph "LASTLY" is amended to read as follows:

"LASTLY : I hereby appoint my son, HENRY W. LAWTON, as Executor, or in the event he should fail to qualify or for any other reason shall be unable to serve, or having assumed office and later ceases to act for any reason, then I appoint MANUFACTURERS HANOVER TRUST COMPANY/WESTERN,N.A., as Executor of this my last WILL AND TESTAMENT."

THIRD: Except as herein changed and amended, I do hereby expressly ratify and confirm my said Last Will and Testament.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27 day of Jan in the year Nineteen Hundred and Seventy-Seven.

Henry H. Lawton

WE, whose names are hereto subscribed, DO CERTIFY that on the 27 day of Jan 1977, HENRY H. LAWTON, the testator above named, subscribed his name to this Instrument in our presence and in the presence of each of us,

and at the same time, in our presence and hearing, declared the same to be a First Codicil to his Last Will and Testament, and requested us, and each of us, to sign our names thereto as witnesses to the execution thereof, which we do in the presence of the testator and of each other, on the day of the date of the said First Codicil to said Will, and write opposite our names our respective places of residence.

Arthur L. Osborne residing at 829 S. Union St.

Mary Ann Shea residing at 834 S. Union - Clear - N.Y.

Notary Public, County of Cattaraugus.

IN THE MATTER OF PROVING THE WILL

of

Henry H. Lawton Deceased.

STATE OF NEW YORK, }

ss.

County of Cattaraugus

Earl H. Hornburg and Arthur C. Hornburg

of the City

of Olean

in the County of Cattaraugus aforesaid, being duly sworn

do \_\_\_\_\_ depose and say that \_\_\_\_\_ t hey were \_\_\_\_\_ subscribing witness es to

\_\_\_\_\_ the last Will and Testament of Henry H. Lawton

late of the City of Olean

in the County of Cattaraugus aforesaid,

deceased. And deponent s further say \_\_\_\_\_ that the said Henry H. Lawton

the said testat or did, in the presence of deponent s

subscribe his name at the end of the instrument (~~Court Certified Reproduction~~) (original Will) which is now

shown and exhibited to deponent s which purports to be \_\_\_\_\_ the last

Will and Testament of the said Henry H. Lawton and which bears date on the

5th day of February in the year of our Lord, one thousand, nine hundred

and Sixty and deponent s further say \_\_\_\_\_ that the said testat or

did at the time of subscribing h is name, as aforesaid at the end of \_\_\_\_\_

said Will, declare the said instrument so subscribed, and now exhibited to be \_\_\_\_\_

his last Will and Testament; and deponent s. Earl H. Hornburg and Arthur C.

Hornburg

did thereupon subscribe their names at the end of the \_\_\_\_\_ said Will

as attesting witnesses thereto, in the presence and at the request of the testat or And

deponent s further say \_\_\_\_\_ that at the time when the said testat or subscribed h is name

to the \_\_\_\_\_ said last Will as aforesaid, and at the time of

deponent Earl H. Hornburg and Arthur C. Hornbufg

subscribing their names as attesting witnesses thereto, as aforesaid, the said testat or was of

sound mind and memory, of full age to execute a Will, and not under any restraint. And that the said \_\_\_\_\_

Last Will and Testament now appears in all

respects as when so executed without any alterations whatever \_\_\_\_\_

Subscribed and sworn to before me this 7th

day of April, 19 80

Earl H. Hornburg  
Arthur C. Hornburg

Beverly A. Henry  
Surrogate of Cattaraugus County

BEVERLY A. HENRY  
Notary Public - Cattaraugus County  
New York State - No. 4649912  
My Commission Expires March 30, 1981

3/30/81

County of Cattaraugus.

IN THE MATTER OF PROVING THE WILL  
of  
Henry H. Lawton Deceased.

STATE OF NEW YORK, }  
County of Cattaraugus } ss.

Arthur L. Osborne

\_\_\_\_\_ of the City  
of Olean in the County of Cattaraugus aforesaid, being duly sworn  
do es depose and say that he was a subscribing witness to  
First codicil to the last Will and Testament of Henry H. Lawton  
late of the City of Olean in the County of Cattaraugus aforesaid,  
deceased. And deponent further say s that the said Henry H. Lawton  
the said testat or did, in the presence of deponent Arthur L. Osborne  
subscribe his name at the end of the instrument (first codicil to the  
shown and exhibited to deponent which purports to be a codicil to the last  
Will and Testament of the said Henry H. Lawton and which bears date on the  
27th day of January in the year of our Lord, one thousand, nine hundred  
and seventy-seven and deponent further say s that the said testat or  
did at the time of subscribing h is name, as aforesaid at the end of the first  
said Will, declare the said instrument so subscribed, and now exhibited to be a codicil to the  
last Will and Testament; and deponent Arthur L. Osborne  
his first codicil to the  
did thereupon subscribe his names at the end of the 7 said Will  
as attesting witnesses thereto, in the presence and at the request of the testat or And  
deponent further say s that at the time when the said testat or subscribed h is name  
to the first codicil to the said last Will as aforesaid, and at the time of  
deponent Arthur L. Osborne  
subscribing their names as attesting witnesses thereto, as aforesaid, the said testat or was of  
sound mind and memory, of full age to execute a Will, and not under any restraint. And that the said  
first codicil to the last Will and Testament now appears in all  
respects as when so executed without any alterations whatever

*Arthur L. Osborne*  
(Arthur L. Osborne)

Subscribed and sworn to before me this 1st  
day of April, 1980  
*Donald R. Pabent*

Notary Public, State of New York

Notary Public: State of New York

Commission expires March 31, 1982

County Court, County of Cattaraugus.

IN THE MATTER OF PROVING THE WILL

of

Henry H. Lawton Deceased.

STATE OF NEW YORK, }  
County of Cattaraugus }

ss.

Mary Ann Shea

\_\_\_\_\_ of the \_\_\_\_\_ Town  
of Eldred in the County of McKean aforesaid, being duly sworn

do es \_\_\_\_\_ depose and say that \_\_\_\_\_ s he was a \_\_\_\_\_ subscribing witness \_\_\_\_\_ to  
First Codicil to the last Will and Testament of Henry H. Lawton

late of the City of Olean in the County of Cattaraugus aforesaid,  
deceased. And deponent \_\_\_\_\_ further say<sup>s</sup> that the said Henry H. Lawton

the said testat or did, in the presence of deponent Mary Ann Shea  
subscribe his name at the end of the instrument (Court Certified Reproduction) (First Codicil to) (original Will) which is now

shown and exhibited to deponent \_\_\_\_\_ which purports to be first codicil to the last  
Will and Testament of the said Henry H. Lawton and which bears date on the

27th day of January in the year of our Lord, one thousand, nine hundred  
and seventy-seven and deponent \_\_\_\_\_ further say<sup>s</sup> that the said testat or

did at the time of subscribing h is name, as aforesaid at the end of first codicil to the  
said Will, declare the said instrument so subscribed, and now exhibited to be a codicil to the

\_\_\_\_\_ last Will and Testament; and deponent Mary Ann Shea

did thereupon subscribe their names at the end of the First codicil to the said Will  
as attesting witnesses thereto, in the presence and at the request of the testat or And

deponent \_\_\_\_\_ further say<sup>s</sup> that at the time when the said testat or subscribed h<sup>is</sup> name  
to the first codicil to the said last Will as aforesaid, and at the time of

deponent Mary Ann Shea  
her  
subscribing ~~their~~ names as attesting witnesses thereto, as aforesaid, the said testat or was of

sound mind and memory, of full age to execute a Will, and not under any restraint. And that the said First  
codicil to the Last Will and Testament of Henry H. Lawton now appears in all

respects as when so executed without any alterations whatever \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_  
day of April, 19 80

Mary Ann Shea  
(Mary Ann Shea)

Notary Public DAR FEHELEY, District Justice  
Commission Expires \_\_\_\_\_  
My Commission Expires January Fourth, 1984

SURROGATE'S COURT, held in and for the County of Cattaraugus at the Surrogate's Office  
in the Village of Little Valley, New York, on the 15th  
day of April, 19 80.

PRESENT: HON. EDWARD M. HOREY, Surrogate.

SURROGATE'S COURT, CATTARAUGUS COUNTY.

IN THE MATTER OF THE PROBATE OF THE  
LAST WILL AND TESTAMENT

OF

HENRY H. LAWTON

Deceased.

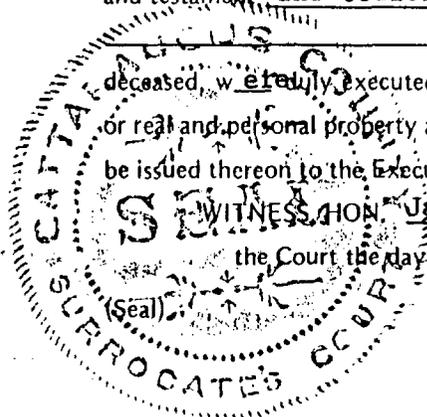
On reading and filing proof of the due service or waiver of the citation herein and upon due proof of the  
execution of the paper \_\_\_\_\_ propounded as the last will and testament \_\_\_\_\_  
\_\_\_\_\_ of Henry H. Lawton  
late of the Village of Allegany, in said  
County, deceased, bearing date on the 5th day of February, 1980,  
and the 27th day of January, 1977, respectively, Henry W. Lawton, the petitioner,  
appearing by his Attorneys, DiCerbo and Palumbo, Daniel R. Palumbo, Esq. of  
Counsel, no other distributee appearing, there being no minor distributees of  
said deceased;

and it appearing by such proof that the said will and Codicil thereto  
\_\_\_\_\_ were duly executed, that the testat or \_\_\_\_\_ at the time of executing  
the same, was of full age for making a will was of sound mind and memory, and not under restraint, and in all respects  
competent to make a will and the probate thereof not having been contested.

IT IS ORDERED, ADJUDGED AND DECREED that the said paper a \_\_\_\_\_ purporting to be the last will  
and testament and Codicil thereto dated January 27, 1977 \_\_\_\_\_ of the said  
Henry H. Lawton

deceased, were duly executed to pass real and personal property and that the same be admitted to probate as a will  
for real and personal property and recorded as such, and that Letters Testamentary \_\_\_\_\_  
be issued thereon to the Execut or, Henry W. Lawton \_\_\_\_\_ who may qualify thereunder.

WITNESS HON. James F. Crowley, Acting \_\_\_\_\_, Surrogate, and the seal of  
the Court the day and year first above written.



Edward M. Horey  
Surrogate.

**State of New York**  
**County of Cattaraugus,**  
**Surrogate's Court**

SS.

I, ..... Florence J. Fuller, Chief ..... Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Last Will and Testament and the codicil thereto of Henry H. Lawton, Deceased, the Proof of Will of Earl H. Hornburg and Arthur C. Hornburg verified the 7th day of April, 1980, the Proof of Will of Arthur L. Osborne verified the 1st day of April, 1980, the Proof of Will of Mary Ann Shea verified the 1st day of April, 1980, the Decree Admitting Will to Probate dated the 15th day of April, 1980 and the Certificate of Probate

with the original s ..... thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original s .....

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this  
..... 25th ..... day of ..... August .....,  
in the year of our Lord one thousand nine hundred and ..... ninety-two .....

(Seal)

*Florence J. Fuller*

Chief Clerk of the Surrogate's Court.

THE PEOPLE OF THE STATE OF NEW YORK

BY THE GRACE OF GOD FREE AND INDEPENDENT

To All To Whom These Presents Shall Come or May Concern, Send Greeting:

Know Ye, That at a Surrogate's Court held in and for the County of Cattaraugus and State of New York, at the Surrogate's Office in the Village of Little Valley in said County on the 15th day of April, one thousand nine hundred and eighty before Hon. Edward M. Horey Surrogate a decree was duly made admitting to probate The Last Will and Testament of Henry H. Lawton late of the Village of Allegany in the said county, deceased.

And Henry W. Lawton

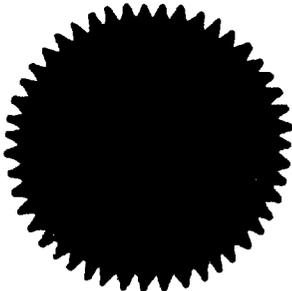
nominated and appointed Executor in said Last Will and Testament having qualified as required by law.

Now Therefore, we do grant these Letters Testamentary to the said Executor giving and granting unto Henry W. Lawton, following the death of the decedent which occurred on March 6, 1980 power and authority to execute the provisions of said Last Will and Testament and to administer and dispose of the Estate of said deceased as required by law.

In Testimony Whereof, We have caused the seal of our said Surrogate's Court to be hereunto affixed.

Witness, Hon. Edward M. Horey, Surrogate of said County, at the Village of Little Valley, in said county, the 15th day of April, in the year of our Lord one thousand nine hundred and eighty

Hazel Wright Deputy Clerk of the Surrogate's Court



State of New York

County of Cattaraugus,

Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of Letters Testamentary issued to Henry W. Lawton under the Last Will and Testament of Henry H. Lawton, Deceased, recorded in Volume 61 of Probate at Page 51

with the original<sup>s</sup> thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original<sup>s</sup>

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

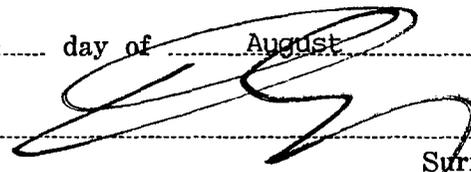
*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

**State of New York  
County of Cattaraugus,  
Surrogate's Court.**

ss

I, ..... Paul B. Kelly ....., Surrogate of the County of Cattaraugus and presiding magistrate of the Surrogate's Court, the same being a Court of Record, do hereby certify that ..... Florence J. Fuller ....., whose name is subscribed to the preceding exemplification is the ..... Chief ..... Clerk of said Surrogate's Court of the County of Cattaraugus, State of New York, and that full faith and credit are due to her official acts. I further certify that the seal affixed to the exemplification is the seal of our said Surrogate's Court, and that the attestation thereof is in due form, and according to the form of attestation used in this State.

Dated at Little Valley, New York, this 25th day of August, 1922.



Surrogate.

STATE OF NEW YORK,  
County of Cattaraugus.

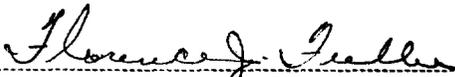
ss.

I, ..... Florence J. Fuller ..... Chief., Clerk of the Surrogate's Court of the County of Cattaraugus, do hereby certify that Hon. ..... Paul B. Kelly ....., whose name is subscribed to the preceding certificate, is the presiding magistrate of the Surrogate's Court of the County of Cattaraugus, duly elected, sworn and qualified, and that the signature of said Magistrate to said certificate is genuine.

IN WITNESS WHEREOF, I have hereunto set my

(Seal)

hand and affixed the seal of said Court this 25th day of August, 1922.



Chief Clerk of the Surrogate's Court.

<u>Instrument</u>	<u>Volume</u>	<u>Page</u>	<u>Date</u>	<u>Address</u>
OGL	231	511	09/11/64	Ack. in Cattaraugus Co., NY
OGL	244	33	12/20/65	834 S. Union St., Olean, NY
OGL	259	641	09/13/68	834 S. Union St., Olean, NY
RDO	284	723	09/16/68	Ack. in Cattaraugus Co., NY
OGL	266	736	09/22/69	834 S. Union St., Olean, NY
MD	318	623	02/06/70	Ack. in Cattaraugus Co., NY

BEFORE EXAMINER STOCHNER	
OIL CONSERVATION DIVISION	
McLANE	EXHIBIT NO. 4
CASE NO.	10498

OIL AND GAS LEASE

THIS AGREEMENT made this 11th day of September 1964, between HENRY H. LAWTON and wife, *Marion E.* LAWTON

as Lessor, and TOM SCHNEIDER as Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases exclusively unto Lessee, for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport, and own said products, the following described land in Lea County, New Mexico, to-wit:

Rights from the surface of the ground to a depth of 5,000 feet in and under all of the Southeast one-quarter (SE/4) of Section No. 11, T-9-S, R-35-E, NMPM,

and containing 160 acres, more or less. In the event a resurvey of said lands shall reveal the existence of excess and/or vacant lands lying adjacent to the lands above described and the Lessor, his heirs, or assigns, shall by virtue of his ownership of the lands above described, have preference right to acquire said excess and/or vacant lands, then in that event this lease shall cover and include all such excess and/or vacant lands which the Lessor, its successors or assigns, shall have the preference right to acquire by virtue of its ownership of the lands above described as and when acquired by the Lessor; and the Lessee shall pay the Lessor for such excess and/or vacant lands at the same rate per acre as the cash consideration paid for the acreage hereinabove mentioned.

2. Subject to the other provisions herein contained, this lease shall be for a term of six months from this date (called "primary term") and as long thereafter as oil or gas is produced from said land hereunder.

3. The royalties to be paid Lessor are: (a) on oil, 3/16 of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of 3/16 of the gas so sold or used,

provided that on gas sold at the wells, the royalty shall be 3/16 of the amount realized from such sale; where gas from a well producing gas only is not sold or used, Lessee may pay as annual royalty, commencing ninety (90) days

after such well is first shut in, the sum of \$160.00 per well per year, and upon such payment it will be considered that gas is being produced within the meaning of Paragraph 2 hereof; provided, however, that such shut in payments shall not continue this lease in force for any consecutive

period of more than 3 years. ~~REPEL~~ Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used.

4. If prior to discovery of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days thereafter. If at the expiration of the primary term, oil or gas is not being produced on said land, but Lessee is then engaged in drilling or re-working operations thereon, the lease shall remain in force so long as operations on said well or for drilling or re-working of any additional well are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil or gas so long thereafter as oil or gas is produced from said land. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

5. Lessee shall have the right at any time until six months after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or born now on said land without Lessor's consent.

6. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to the heirs, successors and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No sale or assignment by either party shall be binding on the other party hereto until such party shall have been furnished with a certified copy of recorded instrument evidencing same. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

7. Lessor herein makes no warranty of title, either express or implied. Lessor hereby agrees that Lessee at its option may discharge any tax, mortgage, or other lien upon said land and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately.

8. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted directly or indirectly by any past or future acts, orders, regulations, or requirements of the Government of the United States or of any state or other governmental body, or any agency, officer, representative or authority of any of them, the period of such delay or interruption shall not be counted against the Lessee, and the primary term of this lease shall automatically be extended after the expiration of the primary term set forth in Section 2 above, so long as the cause or causes for such delay or interruptions continue and for a period of six (6) months thereafter; and such extended term shall constitute and shall be considered for the purposes of this lease as a part of the primary term hereof. The Lessee shall not be liable to Lessor in damages for failure to perform any operation permitted or required hereunder or to comply with any covenant, agreement, or requirement hereof during the time Lessee is relieved from the obligations to comply with such covenants, agreements, or requirements.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

HHL *Henry H. Lawton*  
FEL *Marion E. Lawton*

SINGLE ACKNOWLEDGMENT

THE STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ }

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, A. D., 19 \_\_\_\_\_.

Notary Public in and for \_\_\_\_\_

CORPORATE ACKNOWLEDGMENT

THE STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ }

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, as \_\_\_\_\_ of \_\_\_\_\_, a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, A. D., 19 \_\_\_\_\_.

Notary Public in and for \_\_\_\_\_

THE STATE OF NEW YORK }  
COUNTY OF Cattaraugus }

The foregoing instrument was acknowledged before me this 14 day of September, 1964, by Henry H. Lawton and his wife, Florence E. Lawton.

Thelma J. Brown  
Notary Public

My Commission expires March 30, 1966.

Thelma J. Brown  
Notary Public State of New York  
Cattaraugus County, March 30, 1966

PRODUCERS 88 REVISED 2-60 TEXAS A-1

No. 23731

Oil and Gas Lease

FROM

TO

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

Dated \_\_\_\_\_, 19 \_\_\_\_\_

No. Acres \_\_\_\_\_ SEP 22 1964

County, Texas 130

and Recorded in Book \_\_\_\_\_

Term \_\_\_\_\_ by \_\_\_\_\_ County Clerk

Deputy \_\_\_\_\_

This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, at \_\_\_\_\_ M., and duly recorded in Book \_\_\_\_\_, Page \_\_\_\_\_ records of this office.

County Clerk,  
County, Texas

By \_\_\_\_\_ Deputy

When recorded return to  
William D. Stoval  
Box 346  
Millerton, Texas



16. The Non-Productive 80 acres of this lease will terminate one year after completion of the first producing well unless a second well, projected to the producing zone in the first well, has been commenced.

IN WITNESS WHEREOF, We sign the day and year first above written:

Sworn to before me this 28 day of December 1965.

X *Henry H. Lawton*  
Henry H. Lawton

X  
Florence E. Lawton

Notary Public

11582

STATE OF NEW MEXICO )  
COUNTY OF LEA )  
FILED FOR RECORD

SS. *Jan 4*

1965 at *1:30* o'clock *7* M. and recorded in Book..... page.....

of the..... records of my office.

X *Jan Rice* County Clerk  
By *Da* Deputy

*P. J. Lee* 30851-10

# OIL & GAS LEASE 22084

BOOK 259 PAGE 641

THIS AGREEMENT made this 13th day of September 1968, between

Henry H. Lawton and wife, Florence E. Lawton

834 S. Union Street  
of Olean, N. Y. 14760  
(Post Office Address)

herein called lessor (whether one or more) and Chalfant, Magee & Hansen, Inc., lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the

following described land in Lea County, New Mexico, to-wit:

Township 9 South, Range 35 East, NMPM  
Section 11: SE/4

For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 160 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of Five (5) years from this date (called "primary term"), and as long thereafter as oil or gas, is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 3/16 of that produced and saved from said land, same to be delivered at the well or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the time of the sale of the gas so sold or used, provided that on gas sold at the well the royalty shall be 3/16 of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas and/or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance annual shut-in royalty equal to the amount of delay rentals provided for in this lease for the acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered this lease shall not terminate and it will be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing, or be paid or tendered to the credit of such party or parties in the depository bank and in the manner hereinafter provided for the payment of rentals.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall terminate

as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of \$ 160.00 which shall cover the privilege of deferring commencement of such operations for a period of twelve (12) months. In like manner and upon like payments or tenders, annually, the commencement of said operations may be further deferred for successive periods of twelve (12) months each during the primary term. Payment

or tender may be made to the lessor or to the credit of the lessor in the First National Bank Bank

Olean, New York

at Olean, New York for the lessor and lessor's heirs and assigns. If such bank (or any successor bank) shall fail, liquidate, or be succeeded by another bank, or for any reason shall fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessee shall deliver to lessor a recordable instrument making provision for another acceptable method of payment or tender, and any depository charge is a liability of the lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or any lessor if more than one, on or before the rental paying date. Any timely payment or tender of rental or shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depositories shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof by certified mail from lessor together with such instruments as are necessary to enable lessee to make proper payment.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard production unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be for the purpose of paying the royalty, including the delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If prior to the discovery of oil or gas hereunder, lessee should drill and abandon a dry hole or holes hereunder, or if after discovery of oil or gas the production thereof should cease for any cause, this lease shall not terminate if lessee commences reworking or additional drilling operations within 60 days thereafter and diligently prosecutes the same, or (if it be within the primary term) commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of three months from date of abandonment of said dry hole or holes or the cessation of production. If at the expiration of the primary term oil or gas is not being produced but lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such operations are diligently prosecuted with no cessation of more than 60 consecutive days. If during the drilling or reworking of any well under this paragraph, lessee loses or junks the hole or well and after diligent efforts in good faith is unable to complete said operations then within 90 days after the abandonment of said operations lessee may commence another well and drill the same with due diligence. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns; but no change or division in the ownership of the land, or in the ownership of or right to receive rentals, royalties or payments, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 90 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may pay or tender any rentals, royalties or payments to the credit of the deceased or his estate in the depository bank until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or default in the payment of the proportionate part of the rentals due from such lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which lessee or any assignee thereof shall so comply or make such payments. Rentals as used in this paragraph shall also include shut-in royalty.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessee hereby warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, rental, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessor, his/her successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the rentals and shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

*Henry H. Lawton*

*Florence E. Lawton*  
Florence E. Lawton

*acc # 25712*

30851-10

STATE OF NEW MEXICO, NEW YORK

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of San Juan

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of September 1968 by Henry H. Lawton and wife, Florence E. Lawton

My Commission expires March 30, 1968 William J. Lippert Jr. Notary Public

STATE OF NEW MEXICO,

Lovington Abstract Co.  
Lovington, New Mexico

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of Colfax  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_ 19\_\_\_\_ Notary Public

STATE OF NEW MEXICO,

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_ 19\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ by \_\_\_\_\_

My Commission expires \_\_\_\_\_ 19\_\_\_\_ Notary Public

Form 413 Half-Poundage Form, Rev. 11-1-64, N. M.  
I hereby certify that this instrument was filed for record on the 30 day of October 1968, at 9:35 o'clock P m., and was duly recorded in Book \_\_\_\_\_ at Page \_\_\_\_\_ of the Records of said County.  
E. J. DeBlanc  
County Clerk  
Jean Rice  
Deputy

STATE OF NEW MEXICO  
COUNTY OF San Juan  
No. of Acres \_\_\_\_\_  
Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_  
Date \_\_\_\_\_ 19\_\_\_\_  
FROM \_\_\_\_\_ TO \_\_\_\_\_  
OIL AND GAS LEASE  
NEW MEXICO  
No. 22084

STATE OF NEW MEXICO

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

by \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_ Notary Public

STATE OF \_\_\_\_\_

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

County of \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

by \_\_\_\_\_ President of \_\_\_\_\_ a \_\_\_\_\_ corporation on behalf of said corporation.

My Commission Expires: \_\_\_\_\_ Notary Public

ATTEST:

Certified this 18<sup>th</sup> day of November  
19 92, as a true and correct copy of  
the original on file in this office.

PAT CHAPPELLE, LEA COUNTY CLERK

Beverly Anderson Deputy

35007

30851-10  
Miss BCCX 284 PAGE 723

REV. 3-13-64

RENTAL DIVISION ORDER

WHEREAS, Chalfant, Magee & Hansen, Inc.,  
HEREINAFTER CALLED "LESSEE", IS THE OWNER OF THAT CERTAIN OIL, GAS AND MINERAL LEASE, DATED  
September 13, 19 68, RECORDED VOLUME \_\_\_\_\_, PAGE \_\_\_\_\_, OF THE  
\_\_\_\_\_  
RECORDS OF Lea COUNTY, ~~XXXXXX~~, COVERING THE FOLLOWING  
DESCRIBED LAND SITUATED IN SAID COUNTY, TO-WIT: New Mexico

Township 9 South, Range 35 East, NMPM  
Section 11: SE/4

WHEREAS, IT IS THE DESIRE OF THE UNDERSIGNED TO STIPULATE WITH THE SAID LESSEE AS TO THEIR  
PROPORTIONATE SHARE OF THE ANNUAL RENTALS IN LIEU OF COMMENCEMENT OF DRILLING OPERATIONS  
WHICH MAY ACCRUE AND WHICH SAID LESSEE MAY ELECT TO PAY UNDER THE TERMS AND PROVISIONS OF  
SAID LEASE.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES, AND TEN DOLLARS AND OTHER GOOD AND  
VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE  
UNDERSIGNED STIPULATE AND AGREE WITH THE SAID LESSEE THAT PAYMENT OR TENDER OF ANNUAL RENTALS  
IN LIEU OF COMMENCEMENT OF DRILLING OPERATIONS (WHICH MAY ACCRUE AND WHICH LESSEE MAY ELECT  
TO PAY) TO THE FOLLOWING IN THE AMOUNTS SPECIFIED, OR TO THEIR CREDIT IN THE DEPOSITORY SPECIFIED  
IN SAID LEASE OR BELOW, OPPOSITE THE NAME OF EACH OF THE FOLLOWING, WILL PROTECT SAID LEASE AND  
CONTINUE THE SAME IN FULL FORCE AND EFFECT AS TO THE INTEREST OF EACH OF THE UNDERSIGNED, WHO  
CERTIFY AS TO THEIR INTEREST ONLY, TO-WIT:

<u>PAYEE</u>	<u>INTEREST</u>	<u>AMOUNT</u>	<u>DEPOSITORY</u>
Henry H. Lawton and wife, Florence E. Lawton	5/80	\$10.00	The First National Bank Olean, New York

FOR THE CONSIDERATION ABOVE RECITED EACH OF THE UNDERSIGNED DO HEREBY RATIFY, CONFIRM AND  
ADOPT THE ABOVE DESCRIBED LEASE IN ALL OF ITS TERMS AND PROVISIONS AND DO HEREBY LEASE AND LET  
TO LESSEE THE LANDS COVERED BY SAID LEASE, SUBJECT TO AND IN ACCORDANCE WITH ALL OF THE TERMS  
AND PROVISIONS THEREOF.

THIS AGREEMENT SHALL BE BINDING UPON THE UNDERSIGNED, THEIR RESPECTIVE HEIRS, SUCCESSORS,  
PERSONAL REPRESENTATIVES AND ASSIGNS AND SHALL INURE TO THE BENEFIT OF LESSEE, ITS HEIRS,  
SUCCESSORS AND ASSIGNS.

IN WITNESS WHEREOF, THIS INSTRUMENT IS EXECUTED THIS 16<sup>th</sup> DAY OF September,  
19 68.

\_\_\_\_\_  
Henry H. Lawton

\_\_\_\_\_  
Florence E. Lawton

\_\_\_\_\_  
Florence E. Lawton

On this 16<sup>th</sup> day of September, A. D., 1968, before me personally appeared

Henry H. Lawton and wife, Florence E. Lawton, to me personally known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

In witness whereof, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires:

March 30, 1969

*Norman J. Lightfoot Jr.*  
Norman J. Lightfoot Jr. Notary Public  
Notary Public State of New York  
Cattaraugus County, March 30, 1969

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, A. D., 19\_\_\_\_.

NOTARY PUBLIC IN AND FOR \_\_\_\_\_ COUNTY, \_\_\_\_\_

THE STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED \_\_\_\_\_

KNOWN TO ME TO BE THE PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND THE SAID WIFE, HAVING BEEN EXAMINED BY ME PRIVILY AND APART FROM HER HUSBAND, AND HAVING THE SAME FULLY EXPLAINED TO HER, SHE, THE SAID WIFE, ACKNOWLEDGED SUCH INSTRUMENT TO BE HER ACT AND DEED AND SHE DECLARED THAT SHE HAD WILLINGLY SIGNED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND THAT SHE DID NOT WISH TO RETRACT IT.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, A. D., 19\_\_\_\_.

NOTARY PUBLIC IN AND FOR \_\_\_\_\_ COUNTY, \_\_\_\_\_

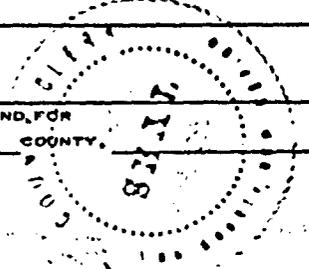
THE STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED \_\_\_\_\_

KNOWN TO ME TO BE THE PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND THE SAID WIFE, HAVING BEEN EXAMINED BY ME PRIVILY AND APART FROM HER HUSBAND, AND HAVING THE SAME FULLY EXPLAINED TO HER, SHE, THE SAID WIFE, ACKNOWLEDGED SUCH INSTRUMENT TO BE HER ACT AND DEED AND SHE DECLARED THAT SHE HAD WILLINGLY SIGNED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND THAT SHE DID NOT WISH TO RETRACT IT.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, A. D., 19\_\_\_\_.

NOTARY PUBLIC IN AND FOR \_\_\_\_\_ COUNTY, \_\_\_\_\_



35907

RENTAL DIVISION ORDER

FROM

TO

Dated \_\_\_\_\_ 19\_\_\_\_

No. Acct. *State of New Mexico*  
*Leah* County, Texas

Term \_\_\_\_\_

This instrument was filed for record on the 3 day of November 1969 at

8:50 o'clock A.M., and duly recorded in

Book \_\_\_\_\_ Page \_\_\_\_\_

of the \_\_\_\_\_ records of this office.

*E. J. Hallman*  
County Clerk

By *Jane L. Smith* Deputy  
When recorded return to \_\_\_\_\_

Lovington Abstract Co.  
Lovington, New Mexico

ATTEST:

Certified this 18th day of November  
1992, as a true and correct copy of  
the original on file in this office.

PAT CHAPPELLE, LEA COUNTY CLERK

Bessie Anderson Deputy

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made this 22nd day of September 1969, between

Henry H. Lawton and wife, Florence E. Lawton

whose address is 834 South Union St., Olean, N. Y. 14760

Lessor (whether one or more), and Texaco Inc., a Delaware Corporation

whose address is Box 3109, Midland, Tex. 79701

WITNESSETH:

1. Lessor in consideration of Ten & No/100 Dollars (\$ 10.00)

in hand paid, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee, for the purpose, by any means or methods, of testing for formations or structures and prospecting and drilling for, mining, and producing oil, gas, distillate, condensate, helium, carbon dioxide, uranium, thorium, sodium, sulphur and all other minerals, whether similar or dissimilar to those mentioned, injecting water, other fluids, air, steam, or gas, into subsurface strata, storing minerals and fluids, laying pipelines, dredging canals, building, using and maintaining roads, bridges, docks, tanks, power, stations, telephone and electric transmission lines, and other structures and facilities, including houses for employees, for producing, saving, caring for, treating, processing, and transporting minerals and substances covered hereby and for conducting said operations, the following described

land, including any reversionary rights therein, in Lea County, New Mexico, together with all land or interests owned by Lessor adjoining or contiguous to such land, whether in the same or different sections, to-wit:

T-14-S, R-38-E: Sec. 31: W/2

T-15-S, R-38-E: Sec. 6: Lots 3 and 4, S/2 NW/4, N/2 SW/4, SW/4 NE/4 and NW/4 SE/4

231864H

For determining the amount of any rental or shut-in gas royalty payment hereunder, the leased premises shall be treated as comprising 640.16 acres, whether there be more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five years from this date (hereinafter called "primary term"), and as long thereafter as oil, gas, condensate, sulphur or any other mineral or substance covered hereby is produced hereunder or from the land above described, or any operations (as hereinafter defined) are conducted, any payment is made, or any condition exists, which as hereinafter provided continues this lease in force.

3. The royalties to be paid by Lessee are: (a) on oil, including but not limited to distillate and condensate recovered by ordinary field separators, one-eighth (1/8th) of that produced and saved from the leased premises, the same to be delivered at the well or to the credit of Lessor in the pipe line to which the well may be connected, or in the absence of a pipeline connection to the transporter receiving Lessor's oil, and at the same price received by Lessee; provided, however, Lessee may from time to time purchase such royalty oil, paying therefor the market value at the well in the field or area for oil (crude) having the same or nearest to the same gravity, or at (but not more than) the price received by Lessee for Lessee's oil; (b) on gas, including casinghead gas and all other gaseous or vaporous substances, produced from said land and sold or used off the leased premises or in the manufacture of gasoline or in the extraction of sulphur or any other product, the market value at the well of one-eighth (1/8th) of the gas so sold or used, such market value at the well in no event to exceed the net proceeds received by Lessee calculated or allocated back to the wells from which produced; provided that on gas sold at the well, the royalty shall be one-eighth (1/8th) of the net proceeds received by Lessee from such sale, and provided further that, if any such sale of gas is regulated as to price by any governmental agency having jurisdiction, such market value or net proceeds shall in no event exceed the amount received by Lessee, calculated or allocated back to the wells from which produced, which is not subject to refund and which amount may be further adjusted up or down prospectively or retrospectively when the price or rate authorized by such governmental agency is finally determined; (c) on sulphur produced as such and marketed, One Dollar (\$1.00) per long ton (2240 lb.); (d) on all other minerals or substances covered hereby produced or mined, one-twentieth (1/20th) in kind of the crude product or crude ore to be delivered at the wellhead or at the point at which a mined product or ore reaches the surface, or at Lessee's election, one-twentieth (1/20th) of the value (at the wellhead or at the point at which a mined product or ore reaches the surface) of the crude product or crude ore produced or mined and marketed; During any period (whether before or after the expiration of the primary term hereof) while there is a gas well or wells completed hereunder and gas is not being sold or used and the well or wells are shut in and this lease is then otherwise being maintained in force under its terms, within ninety (90) days following a cessation of production or operations, unless production or operations are commenced or resumed during such ninety (90) day period, and for subsequent periods in like manner semi-annually in advance thereafter. Each such royalty payment or tender may be made by check or draft of Lessee to the parties entitled to receive royalties in the same manner as provided for "rental" payments under Paragraph Four (4) hereof. Within the meaning hereof, the term gas well or wells shall include wells capable of producing natural gas, condensate, distillate, or any vaporous substance covered hereby, and wells classified or capable of being classified as gas wells by any governmental authority. Lessee shall have free use of oil, distillate, condensate, gas and water from the leased premises, except water from Lessor's wells and tanks, for all operations hereunder.

4. If operations are not commenced hereunder on or before one year from this date, this lease shall then terminate as to both parties unless Lessee on or before the expiration of said period shall pay or tender to Lessor, or to the credit of Lessor in

the First National Bank at Olean, N. Y. 14760

or any successor bank, the sum of Six Hundred Forty & 16/100

Dollars (\$ 640.16), hereinafter called "rental," which shall extend for twelve (12) months the time within which operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders the commencement of operations may be further deferred for periods of twelve (12) months each during the primary term. Payment or tender of rental may be made by check or draft of Lessee delivered or mailed to the authorized depository bank or to Lessor (at address last known to Lessee) on or before such date for payment, and the payment or tender will be deemed made when the check or draft is so delivered or mailed. If said named or successor bank (or any other bank which may, as hereinafter provided, have been designated as depository) should fail or liquidate or for any reason refuse or fail to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until ninety (90) days after Lessor shall deliver a proper recordable instrument naming another bank to receive such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be Lessor's agent. Operations hereunder shall be deemed to be commenced when the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

5. If during the primary term and before there has been a discovery of any mineral or substance covered hereby on the leased premises, Lessee should drill a dry hole or fail in any operation to establish production thereon, this lease shall not be terminated thereby if Lessee commences further or additional operations, or commences or resumes the payment or tender of rental, on or before the rental paying date, if any, next ensuing after ninety (90) days following the completion of the dry hole or failure of such operation to establish production, or, if there be no rental paying date, commences further or additional operations within ninety (90) days thereafter or before the expiration of the primary term, whichever is the later date. If after the discovery of any mineral or substance covered hereby, the production of all such minerals and substances should cease from any cause, this lease shall not be terminated thereby if, within ninety (90) days thereafter, production of any mineral or substance covered hereby is commenced, resumed or restored, or if within ninety (90) days thereafter, Lessee commences further or additional operations hereunder, this lease shall remain in force so long as operations (whether on the same well or mine or on different wells or mines successively) are continuously prosecuted and if any such operations result in the production of any mineral or substance covered hereby, so long thereafter as any mineral or substance covered hereby is produced hereunder from the leased premises, or, if cessation of such production occurs within the primary term hereof, this lease shall not be terminated thereby if Lessee commences or resumes the payment or tender of rental on or before the rental paying date, if any, next ensuing after ninety (90) days following cessation of such production, or if, on or before such rental paying date, or if there be no rental paying date within ninety (90) days after such cessation or before the expiration of the primary term, whichever is the later date, Lessee commences additional or further operations hereunder and thereafter continuously prosecutes same and if any such operations result in the production of a mineral or substance covered hereby, so long thereafter as any such mineral or substance covered hereby is produced from the leased premises. If at the expiration of the primary term, no mineral or other substance covered hereby is being produced on the leased premises but Lessee is then engaged in operations thereon, or shall have drilled a dry hole or failed in any operation to establish production thereon within ninety (90) days prior to the end of the primary term, this lease shall remain in force so long as operations (whether on the same well or mine or on different wells or mines successively) are continuously prosecuted, and, if any such operations result in the production of a mineral or substance covered hereby, so long thereafter as any mineral or substance covered hereby is produced from the leased premises. All operations under this lease shall be deemed to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion of operations on any well or mine and the commencement or resumption of operations on the same or another well or mine. It is the intention hereof that this lease shall continue in effect for and during any such ninety (90) day period for all purposes hereunder.

6. Lessee shall have the right at any time until one year after the expiration of this lease to remove all fixtures and other property placed by Lessee on the leased premises, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth in cultivated land. Lessee shall pay Lessor for damages to Lessor's growing crops caused by Lessee's operations. No well shall be drilled within two hundred (200) feet of any residence, barn or irrigation well now on said land without Lessor's consent. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances and which would be reasonably expected to be profitable to Lessee.

7. Lessee is hereby granted the right and power, to be exercised at its option at any time or times, to pool or combine the acreage covered by this lease, or any portion thereof or any undivided interest covered thereby, as to oil and gas, or either of them, with other land, lease, leases, mineral or royalty interests, or any portion thereof, as to whole or undivided interests therein and regardless of ownership thereunder, in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore or develop and operate said leased premises. Units pooled for oil hereunder shall not exceed 40 acres each in area, plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that if governmental authority, State or Federal, prescribes, allows or permits by regulation, rule, or order of statewide or special field rule application larger spacing or proration units for the development or operation of the unit or the field in which the unit is located or allocates a producing allowable based in whole or in part on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed, allowed or permitted or that may be used in such allocation or allowable. Any unit formed hereunder need not conform in size or area to any other unit; and units may be created hereunder to embrace all strata or any stratum or strata. The pooling in one or more instances shall not exhaust the rights

XHL  
FEL

HLL  
AEL

of Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the county where the unit is situated a written designation and description of each unit formed hereunder, and such instrument shall specify the effective date of the unit. Lessee wholly at its option may exercise its pooling option either before or after commencing operations or completing an oil or gas well on acreage included in the unit, and any unit may include, but is not required to include, land or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Operations upon or production from any part of the pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations were commenced or such production was secured before or after the execution of this lease, or the instrument designating the pooled unit, shall be considered as operations upon or production from the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease, and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes as if the same were included in this lease, except that the royalty on production from the unit shall be as below provided. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such portion of the royalty stipulated in Paragraph 7 above as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis, bears to the total acreage in the unit. A unit formed hereunder shall be valid and effective for all purposes of this lease (a) notwithstanding the fact that there may be mineral, royalty, overriding royalty, leasehold or other interests in lands within the unit which are not effectively pooled or unitized, or (b) notwithstanding the fact that any well projected or drilled on a unit designated or formed hereunder is nonproductive, plugged or abandoned, or is completed as a producer of a mineral not so pooled or unitized by such instrument designating and describing said unit. Any unit formed by Lessee hereunder may be dissolved by Lessee at any time by instrument filed for record in the county in which the leased premises are situated whether before drilling operations are commenced or after any failure to establish unit production or the cessation of production and/or operations on said unit, as the case may be.

8. The rights of either party hereunder may be assigned or subleased in whole or in part and the provisions hereof shall extend to their heirs, successors, sublessees, and assigns. However, no change or division in ownership of the lands, rentals, or royalties, shall enlarge the obligations or diminish the rights of Lessee. No change or division in such ownership shall be binding on Lessee until ninety (90) days after the Lessee shall have been furnished by registered mail with the original or a certified copy of the recorded instrument or instruments evidencing same. In the event of assignment or sublease hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof or of an interest therein who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the authorized depository bank to the credit of the deceased or to the credit of the estate of the deceased until such time as Lessee is furnished proper evidence of the appointment and qualification of an executor or administrator of the estate or, if there be none, then until Lessee is furnished evidence satisfactory to it as to the heirs or devisees of the deceased. In event of assignment or sublease of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable among the several leasehold owners (including sublessees) ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners (including sublessees). Any payment or tender, including but not limited to rental and shut-in royalty, which is made under the terms of this lease in good faith and with reasonable diligence by Lessee in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amount, due date, property description, or depository, shall nevertheless be sufficient to prevent termination of this lease and further maintain this lease in effect in the same manner as though a proper payment had been made; provided, however, Lessee shall correct such error within thirty (30) days after Lessee has received written notice from the party or parties entitled to receive the same of such error, together with such instruments as are necessary to enable Lessee to make proper payment.

9. Lessee may at any time, and from time to time, execute and deliver to Lessor or place of record a release covering all or any portion of the leased premises or any mineral or stratum thereunder, and thereupon shall be relieved of all obligations as to the mineral, stratum, or acreage surrendered. After a release of all minerals and strata of this lease as to only part of the acreage, the payments hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by each such release.

10. In the event Lessor, either before or after production has been secured, considers that Lessee has failed to perform or to comply with any of the covenants and obligations of this agreement, Lessee shall notify Lessor in writing alleging specifically the respects in which Lessor considers Lessee has so failed to perform or comply, and Lessee shall have ninety (90) days after receipt of any such notice within which to remedy, or commence to remedy, any such default so alleged by Lessor. The delivery of said notice to Lessee and the lapse thereafter of ninety (90) days shall be a condition precedent to the bringing of any action by Lessor under this agreement. Neither the delivery of any such notice nor the performance thereafter by Lessee of any act aimed to remedy any default alleged by Lessor in any said notice shall be deemed an admission or presumption that Lessee is in default as to such obligation and there shall be no cancellation of this agreement, in whole or in part, for failure by Lessee to remedy or commence to remedy any default alleged by Lessor until the existence of such default by Lessee has been finally declared judicially and until a reasonable time thereafter has been allowed to remedy such default.

11. When production or operations are delayed, suspended, or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or by failure of carriers, gatherers, or purchasers, to take delivery or to transport or to furnish facilities therefor, or by failure, accident or breakdown, mechanical or otherwise, of producing, treating, gathering or delivery facilities, plants or pipe lines, including the necessity of making repairs or alterations thereof, or by lack of market in the field for the minerals or other substances covered hereby and produced hereunder, or as the result of any cause whatsoever beyond the control of Lessee, or if Lessee is required, ordered, or directed, by any Federal, State, or municipal law, executive order, rule, regulation or request, enacted or promulgated under color of authority, or by any official acting thereunder, to cease operations or production on the leased premises, the time of any such delay, suspension, or interruption shall not be counted against Lessee and this lease shall remain in force during such delay, suspension, or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

12. Lessor hereby warrants and agrees to defend the title to said land. If Lessor owns less interest than the entire fee or mineral estate (even though this lease purports to cover only such lesser interest) the rentals, royalties or other payments to be paid Lessor shall be reduced proportionately. Lessee at its option may discharge any tax, mortgage, or other lien upon said land either in whole or in part, and thereby be subrogated to such lien with the right to enforce same and apply rentals and royalties toward satisfying same.

13. Whenever used in this lease, the word "operations" shall mean all work involved in or necessary or incidental to any one or more of the following: drilling, testing, completing, reworking, recompleting, deepening, side-tracking, plugging back, or repairing of a well, or excavation of a mine, in search for or in an effort to obtain, restore or increase production of oil, gas, sulphur or other mineral or substance covered hereby, or the conducting of secondary or tertiary recovery operations (through any existing or future method, including without limitation waterflooding) in an effort to obtain, restore or increase production of oil, gas, sulphur, or other mineral or substance covered hereby.

14. The leased premises and any facilities, including, but not limited to, any well or wells drilled or used for injection of water, other fluids, air, steam, or gas, any tank battery, tankage, or equipment for treating, compressing, handling, or transporting oil, gas, or other fluid, any pipeline or gathering system, or any road to and from or over the leased premises, placed or used thereon for any purpose, may also be used for Lessee's activities on other lands in the vicinity. Lessee is hereby granted the right of ingress and egress for road, pipeline, telephone or electrical transmission purposes, over other lands in the vicinity belonging to Lessor, for the purpose of carrying on or performing any activity or operation under this lease.

15. Should any one or more of the parties above named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor, their heirs, successors and assigns. Should any party execute this lease who is not named above as Lessor, it shall nevertheless be binding upon the party or parties executing the same. As used in this lease, the masculine gender includes the feminine and neuter genders.

16. Notwithstanding printed Paragraph No. 4 hereof, it is understood and agreed that this lease is fully paid up by bonus consideration and shall continue in full force and effect for its entire primary term as provided in Paragraph No. 2 hereof and that Paragraph No. 4 hereof does not contemplate actual payment of delay rentals and that Paragraph No. 4 is included solely for the calculation of, and manner of, making royalty payments for shut-in gas wells under Paragraph No. 3 hereof.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Henry H. Lawton  
Florence E. Lawton  
LESSOR

ACKNOWLEDGMENT

STATE OF NEW YORK  
COUNTY OF Cattaraugus  
The foregoing instrument was acknowledged before me this 25th day of Sep 1969 by Henry H. Lawton and wife, Florence E. Lawton  
Norman J. Lippert Jr.  
Notary Public State of New York  
Cattaraugus County, March 30, 1969, in and for Cattaraugus County, New York

ACKNOWLEDGMENT

STATE OF NEW MEXICO  
COUNTY OF  
The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_, 19\_\_  
My Commission Expires  
Notary Public in and for State of New Mexico, County, New Mexico

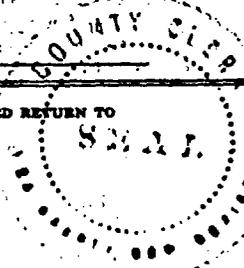
WHEN RECORDED RETURN TO

This instrument was filed for record on the 10th day of November, 1969, at 10:48 A.M. and duly recorded in Vol. \_\_\_ Page \_\_\_ of the

Records of this Office.  
Effie Holman  
County Clerk, \_\_\_ County, New Mexico.

By Janice E. Smith Deputy.

35259



ATTEST:

Certified this 18<sup>th</sup> day of November,  
1992, as a true and correct copy of  
the original on file in this office.

PAT CHAPPELLE, LEA COUNTY CLERK

Beverly Anderson Deputy

# MINERAL DEED

KNOW ALL MEN BY THESE PRESENTS:

That Henry H. Lawton and Florence E. Lawton, husband and wife  
of \_\_\_\_\_ County, State of New York hereinafter called Grantor (Whether one or more) for  
and in consideration of the sum of ---Ten and more ----- DOLLARS, (\$10.00)  
cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant,  
bargain, sell, convey, transfer, assign and deliver unto Robert H. Hannifin  
P.O. Box 256 of Midland County, State of Texas, hereinafter  
called Grantee (whether one or more) an undivided 10/160th interest in  
and to all of the oil, gas and other minerals in and under and that may be produced from the following described land situated  
in Lea County, State of New Mexico, to-wit:

Township 9 South, Range 35 East  
Section 11: SE 1/4

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

FEB 19 1970

(The intent of this deed is to convey ten mineral acres)

at 10:40 o'clock A. M.  
and Recorded in Book \_\_\_\_\_  
Page \_\_\_\_\_  
EFFIE HALDIMAN, County Clerk  
By EH Deputy

Containing 160.00 acres, more or less, together with the rights of ingress and egress at all times for  
the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals, and storing,  
handling, transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property  
and improvements.

This sale is made subject to any rights now existing to any lessee or assigns under any valid and subsisting oil and gas  
lease heretofore executed and now of legal record; it being understood and agreed that said Grantee shall have, receive and  
enjoy the herein granted undivided interest in and to all bonuses, rents, royalties and other benefits which may accrue there-  
under from and after date hereof, precisely as if the Grantee herein had been at the date of the making of said lease the  
owner of a similar undivided interest in and to the lands above described and none other and grantee one of the lessors therein.

Grantor agrees to execute such further assurances as may be requisite for the full and complete enjoyment of the rights  
herein granted and likewise agrees that Grantee herein shall have the right at any time to redeem for said Grantor by payment  
any mortgage, taxes, or other liens on the above described land, upon default in payment by Grantor, and be subrogated to the  
rights of the holder thereof.

TO HAVE AND TO HOLD, The above described property and easement with all and singular the rights, privileges  
and appurtenances thereunto or in any wise belonging to the said Grantee, his heirs, successors and assigns  
forever, and Grantor does hereby bind themselves and their heirs, executors, administrators, successors,  
and assigns, to warrant and forever defend all and singular the said property unto said Grantee herein, his heirs,  
successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS Grantor's hand this 6 day of Feb, 1970

This conveyance shall be effective  
as of first run date.

Henry H. Lawton  
Florence E. Lawton

State of New York  
County of Cattaraugus

Individual Acknowledgment—N. M. Short Form

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of Feb, 1970  
by Henry H. and Florence Lawton, husband and wife

My Commission Expires: March 30, 1971

George T. W. Handley  
Post Office Olson, N.Y.  
Notary Public

State of \_\_\_\_\_  
County of \_\_\_\_\_

Corporation Acknowledgment—N. M. Short Form

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_  
by \_\_\_\_\_, President  
of \_\_\_\_\_ corporation  
on behalf of said corporation.

My Commission Expires: \_\_\_\_\_ Post Office \_\_\_\_\_  
Notary Public

38438

ATTEST:

Certified this 18<sup>th</sup> day of November  
19 92, as a true and correct copy of  
the original on file in this office.

PAT CHAPPELLE, LEA COUNTY CLERK

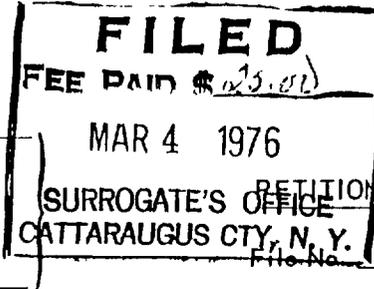
Beverly Anderson Deputy

STATE OF NEW YORK

Form 1

SURROGATE'S COURT

COUNTY OF CATTARAUGUS



In the Matter of Proving the Last Will and Testament of

FLORENCE E. LAWTON

Deceased.

PETITION FOR THE PROBATE OF WILL SURROGATE'S OFFICE CATTARAUGUS CTY, N. Y. File No.

To the Surrogate's Court, County of Cattaraugus

It is respectfully alleged:

(1) The name, domicile (or, in the case of a bank or trust company, its principal office) and interest(s) in this proceeding of the petitioner(s) are as follows:

Name: Henry H. Lawton

Domicile or Principal Office: 834 South Union Street Olean (City, Village or Town) New York (State)

Name:

Domicile or Principal Office: (Street and Number) (City, Village or Town) (State)

Interest of Petitioner(s): [X] Executor named in decedent's Last Will presented herewith [ ] Other (Specify)

(2) The name, domicile, date and place of death, and national citizenship of the above-named deceased are as follows:

(a) Name: Florence E. Lawton

(b) Date of death February 13, 1976 (c) Place of death Olean, New York

(d) Domicile Street 834 South Union Street

City, Town, Village Olean

County Cattaraugus

State New York

(e) Citizen: (Subject) of United States

(3) The Last Will, herewith presented, relates to both real and personal property and consists of an instrument or instruments dated as shown below and signed at the end thereof by the decedent and the following subscribing witnesses:

(Date of Will) February 5, 1960

Earl H. Hornburg & Arthur E. Hornburg (Witnesses to Will)

(Date of Codicil)

(Witnesses to Codicil)

(4) There is no other will or codicil of the decedent on file in the office of the court, and upon information and belief, there exists no will, codicil or other testamentary instrument of the decedent later in date to any of the instruments mentioned in paragraph (3) hereof, except

(5) The decedent left surviving:

(a) [ 1 ] Spouse (husband/wife)

(b) [ 3 ] Child or children, or descendants or predeceased child or children.

(c) [ X ] Father/mother.

(d) [ X ] Brothers or sisters, either of the whole or half-blood; or descendants of such predeceased brothers or sisters.

(e) [ X ] Grandfather/grandmother.

(f) [ X ] Uncles or aunts.

(g) [ X ] Descendants of predeceased uncles or aunts.

(Information is required only as to those classes of surviving relatives who would take the property of decedent if there were no will. The term "child or children" includes adopted as well as natural children. State number of survivors in each such class. Insert "X" in all subsequent classes. Insert "NO" in all prior classes.)

(6) The names, relationships, and addresses of all distributees, of each person designated in the Last Will herewith presented as primary executor, of all persons adversely affected by the purported exercise by such Will of any power of appointment, of all persons adversely affected by any codicil and of all persons having an interest under any prior will of the

decedent on file in the Surrogate's office, are hereinafter set forth in subdivisions (a) and (b):

(a) All persons and parties so interested who are of full age and sound mind, or which are corporations or associations, are as follows:

Name and Address	Relationship	Description of Legacy, Devise or Other Interest, or Nature of Fiduciary Status
Henry H. Lawton 834 South Union St. Olean, N.Y., 14760	Husband	Entire estate, primary executor.
Joan C. Sermak 104 Quail Canyon San Bernardino, Calif., 92404	Daughter	Distributee
Nancy Ann O'Connor 8106 King's Point Court Springfield, Va., 22154	Daughter	Distributee
Henry W. Lawton 863 Smith Road Portville, N.Y., 14770	Son	Distributee

A daughter, Mary Jane Lawton, died in 1968 without spouse or issue.

(b) All persons so interested who are persons under disability as defined in SCPA 103(37), are as follows: None.

(Please furnish all information specified in NOTE below.)

(Note: In the case of each infant, state (a) name, birth date, age, relationship to decedent, residence address, and the person with whom he resides; (b) whether or not he has a general or testamentary guardian, and whether or not his father, or if dead, his mother, is living; and (c) the name and residence address of any guardian and any living parent. In the case of each other person under disability state (a) name, relationship to decedent, and residence address; (b) facts regarding his disability, including whether or not a committee has been appointed and whether or not he has been committed to any institution; and (c) the names and address of any committee, any person or institution having care and custody of him, and any relative or friend having an interest in his welfare. In the case of person confined as a prisoner, state place of incarceration. In the case of unknowns, describe such persons in the same language as will be used in the process. In each case give a brief description of the party's legacy, devise or other interest as in paragraph (6)(a) hereof.)

(7) The names and domiciliary addresses of all substitute or successor executors and of all trustees, guardians, legatees and devisees, and other beneficiaries named in the Last Will herewith presented, other than those named in Paragraph (6), are hereinafter set forth in subdivisions (a) and (b):

(a) All such other legatees and devisees who are of full age and sound mind, or which are corporations or associations, are as follows:

Name	Address	Description of Legacy, Devise or Other Interest, or Nature of Fiduciary Status
The First National Bank of Olean (now Manufacturers Hanover Trust Company/Western, N.A.)	101 N. Union St. Olean, N.Y., 14760	Alternate Executor

(b) All such other legatees, devisees and other beneficiaries who are persons under disability, are as follows: None.  
(Please furnish all information specified in NOTE to paragraph (6)(b) hereof.)

(8) There are no persons, corporations, or associations interested in this proceeding other than those hereinabove mentioned.

(9) To the best of the knowledge of the undersigned, the approximate total value of all property constituting the decedent's gross testamentary estate is not more than \$ 50,000.00 nor less than \$ 20,000.00 consisting entirely of personal property.

(10) Upon information and belief, no other petition for the probate of any will of the decedent or for the granting of letters of administration on the decedent's estate has heretofore been filed in any Court.

WHEREFORE your petitioner(s) pray(s) (a) that process be issued to all necessary parties to show cause why the Last Will herewith presented should not be admitted to probate; (b) that an order be granted directing the service of process pursuant to the provisions of article 3 of the SCPA, upon the persons named in paragraph (6) hereof who are non-domiciliaries, or whose names or whereabouts are unknown and cannot be ascertained; and (c) that such Last Will be admitted to probate as a will of real and personal property and that letters issue thereon as follows:

(Check and complete appropriate request.)

Letters Testamentary to Henry H. Lawton

Letters of Trusteeship to

Dated: February 27, 1976.

*Henry H. Lawton*

(Petitioner) Henry H. Lawton

(Petitioner)

STATE OF NEW YORK

COUNTY OF CATTARAUGUS

} ss.:

COMBINED VERIFICATION,  
OATH AND DESIGNATION

(For use when a petitioner to be appointed executor is not a bank or trust company)

I, the undersigned, Henry H. Lawton,

being duly sworn, say:

(1) VERIFICATION: I have read the foregoing petition subscribed by me and know the contents thereof, and the same is true of my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters I believe it to be true.

(2) OATH OF EXECUTOR: I am over twenty-one (21) years of age and a citizen of the United States; I am the executor(trix) named in the Last Will described in the foregoing petition and will well, faithfully and honestly discharge the duties of such executor(trix), and the trust reposed in me and duly account for all moneys or other property which may come in to my hands. I am not ineligible to receive letters.

(3) DESIGNATION OF CLERK FOR SERVICES OF PROCESS: I do hereby designate the Clerk of the Surrogate's Court of Cattaraugus County, and his or her successor in office as a person on whom service of any process issuing from such Surrogate's Court may be made, in like manner and with like effect as if it were served personally upon me whenever I cannot be found and served within the State of New York after due diligence used.  
My domicile is 834 S. Union St., Olean, N.Y., 14760

*Henry H. Lawton*

(Signature of Petitioner) Henry H. Lawton

On February 27,

19 76, before me personally came Henry H. Lawton

Such person duly swore to such instrument before me and duly acknowledged that he duly executed the same.

ARTHUR E. HORNEBURG

Notary Public, Cattaraugus County,  
New York State

Commission expires March 30, 1976

*Arthur E. Horneburg*

(Notary Public)

STATE OF NEW YORK  
COUNTY OF

} ss.:

COMBINED VERIFICATION,  
CONSENT AND DESIGNATION  
(For use when a petitioner to be appointed executor  
is a bank or trust company)

I, the undersigned, a

(Title)

of

(Name of Bank or Trust Company)

being duly sworn, say:

(1) VERIFICATION: I have read the foregoing petition subscribed by me and know the contents thereof, and the same is true of my own knowledge, except as to those matters therein stated to be alleged upon information and belief, and as to those matters I believe it to be true.

(2) CONSENT: corporation/national banking association under the laws of hereby accepts its appointment as executor of the Last Will described in the foregoing petition and consents to act as such executor.

(3) DESIGNATION: corporation/national banking association under the laws of having an office

hereby designated the Clerk of the Surrogate's Court of County, and his or her successor in office, as a person on whom service of any process issuing from such Surrogate's Court may be made, in like manner and with like effect as if it were served personally upon such corporation/national banking association, whenever one of its proper officers cannot be found and served within the State of New York, after due diligence used.

(Signature and Title)

(Name of Bank or Trust Company)

By: (Signature and Title)

ATTEST:

(Signature and Title)

On , 19 , before me personally came , to me known, who duly swore to the foregoing instrument and who did say that he resides at and that he is a of the corporation/national banking association described in and which executed such instrument; that he knows the seal of such Board of Directors of such ; that the seal affixed to such instrument is such seal and was so affixed by order of the and that he signed his name thereto by like authority.

(Notary Public)

RECEIVED  
MAR 4 1976

SURROGATE COURT  
CATTARAUGUS COUNTY

*Flurence J. Fuller, Clerk*

ATTORNEY

Name of Attorney HORNBERG, DIGGS & HORNBERG, P.C.

Tel. No. 372-4164

Address of Attorney 708-719 Bank of New York Bldg., Olean, N.Y., 14760

State of New York  
County of Cattaraugus,  
Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Petition for Probate of Will verified the 27th of February, 1976, in the matter of the estate of Florence E. Lawton, Deceased.

with the original thereof. now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

*Florence J. Fuller*

Chief Clerk of the Surrogate's Court.

SURROGATE'S COURT  
COUNTY OF CATTARAUGUS.

BE IT REMEMBERED, That in pursuance of Section 1422 of the Surrogate's Court Procedure Act, I hereby certify that on the ...12th. day of .....March....., 1976, the last will and testament of.....Florence E. Lawton....., deceased, being the following written instrument, was upon due proof duly admitted to probate by the Surrogate's Court of the County of Cattaraugus, and by the Surrogate of said County as and for the last will and testament..... of said deceased, and as a will valid to pass real and personal property, and that said will is recorded in this office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of office of the Surrogate of said County, this ...12th... day of .....March....., 1976..

(L.S.)

.....Hazel Wright.....  
Deputy Clerk of the Surrogate's Court

A. I give and bequeath all of my household furniture, furnishings, household effects and any automobile which I may own at the time of my death unto my daughters JOAN C. SERMAK and NANCY ANN O'CONNOR and my son HENRY W. LAWTON to be divided equally among them, surviving me, share and share alike.

B. If my daughter, MARY JANE LAWTON shall be living at the time of my death and my husband should not survive me, then in such event, I give and bequeath unto THE FIRST NATIONAL BANK OF OLEAN, N.Y. and my son, HENRY W. LAWTON, as co-trustees, the sum of Ten Thousand (\$10,000.00) IN TRUST, however for the following uses and purposes, to wit:

1. To hold, possess, manage and control said trust and every part thereof with full power to lease, sell, exchange, transfer, mortgage, convey or otherwise dispose of the same on such terms and in such manner and for such price or prices as to my said trustees shall seem proper, and to invest and re-invest all money which comes into their hands as such trustees in such securities, bonds, mortgages or other property as my trustees shall deem proper and to hold as a part of said trust, if they so desire; such property and securities as I may own at the time of my death,

# Last Will and Testament,

I, ----- FLORENCE E. LAWTON ----- of the  
City of Olean in the County of Cattaraugus  
and State of New York being of sound mind and memory, do make,  
publish and declare this my last **Will and Testament**, in manner following that  
is to say:

**First.** I direct the payment of all of my just debts and  
funeral expenses.

**SECOND:** All the rest, residue and remainder of my estate  
both real and personal and wherever situated, I give, devise and bequeath  
unto my husband, HENRY H. LAWTON, and if we should die at the same time  
or under circumstances that are such that the order of our deaths cannot  
be ascertained with reasonable certainty, I direct that my husband  
shall be deemed to have survived me.

**THIRD:** If my husband, HENRY H. LAWTON should not survive  
me, then I give, devise and bequeath my entire estate both real and  
personal as follows:

A. I give and bequeath all of my household  
furniture, furnishings, household effects and any automobile which I  
may own at the time of my death unto my daughters JOAN C. SERMAK and  
NANCY ANN O'CONNOR and my son HENRY W. LAWTON to be divided equally  
among them, surviving me, share and share alike.

B. If my daughter, MARY JANE LAWTON shall be  
living at the time of my death and my husband should not survive me,  
then in such event, I give and bequeath unto THE FIRST NATIONAL BANK  
OF OLEAN, N.Y. and my son, HENRY W. LAWTON, as co-trustees, the sum of  
Ten Thousand (\$10,000.00) IN TRUST, however for the following uses  
and purposes, to wit:

1. To hold, possess, manage and control  
said trust and every part thereof with full power to  
lease, sell, exchange, transfer, mortgage, convey or  
otherwise dispose of the same on such terms and in such  
manner and for such price or prices as to my said  
trustees shall seem proper, and to invest and re-invest  
all money which comes into their hands as such trustees  
in such securities, bonds, mortgages or other property  
as my trustees shall deem proper and to hold as a  
part of said trust, if they so desire, such property  
and securities as I may own at the time of my death,

including fractional shares thereof, and I further direct that said trustees shall not be restricted to the class of investment which a trustee shall or may hereafter be required or permitted by law to make, but may hold, invest, and re-invest in such property and securities as they shall deem for the best interest of the estate.

2. To collect the rents, interest, dividends and income therefrom and to apply so much of the income therefrom as may be necessary in the sole discretion of my said trustees for the support, maintenance and welfare of my daughter, Mary Jane Lawton, and accumulate any surplus income until her death, with the further right to use such accumulated income in their discretion for her support, maintenance and welfare, and at her death said trust shall cease and I direct that from the principal of said trust the sum of Five Thousand Dollars (\$5,000.00) be paid to my son, HENRY W. LAWTON, if he shall then be living and the remaining principal and any accumulated or accrued income not paid or applied to the use of my said daughter, Mary Jane Lawton, be divided equally among such of my children, JOAN C. SERMAK, NANCY ANN O'CONNOR and HENRY W. LAWTON as shall then be living, but on the distribution of such trust assets, if any of my said children shall have predeceased Mary Jane Lawton leaving issue then surviving, I give and bequeath the share of such deceased child so dying to such issue per stirpes. As explanation for the larger gift to my son, Henry, it is my expectation that if my said daughter, Mary Jane Lawton by reason of any physical, mental or other condition whatsoever shall require treatment or confinement in any hospital, sanitarium or institution, he shall investigate and select such proper institution, make frequent visitations and see that her personal desires and needs are provided for from such trust income.

C. All of the rest, residue and remainder of my estate, both real and personal and of every kind and nature and wherever situated, I give, devise and bequeath equally to such of my children JOAN C. SERMAK, NANCY ANN O'CONNOR and HENRY W. LAWTON as shall survive me, but if any of said daughters, Joan C. Sermak, Nancy Ann O'Connor or my son Henry W. Lawton should die prior to my death leaving issue of her or of him surviving me, then I give, devise and bequeath unto the issue of said deceased daughter or son the share in my estate which the parent would have taken if living, said share to be divided among said issue per stirpes.

FOURTH: I hereby authorize and empower my executrix or executor hereinafter named to sell and convey or lease any and all real estate of which I may die seized.

**Lastly** I hereby appoint my husband, HENRY H. LAWTON, as sole executor of my last Will and Testament, and if he shall not survive me, then I appoint THE FIRST NATIONAL BANK OF OLEAN, N.Y. sole executor of this, my last Will and Testament: hereby revoking all former wills by me made.

**In Witness Whereof**, I have hereunto subscribed my name the 5<sup>th</sup> day of February in the year Nineteen Hundred and Sixty (1960)

Florence E. Lawton



We, whose names are hereto subscribed, **Do Certify** that on the 5<sup>th</sup> day of February 19 60 FLORENCE E. LAWTON

the testatrix above named, subscribed her name to this instrument in our presence and in the presence of each of us, and at the same time, in our presence and hearing, declared the same to be her last **Will and Testament**, and requested us, and each of us, to sign our names thereto as witnesses to the execution thereof, which we hereby do in the presence of the testatrix and of each other, on the day of the date of the said Will, and write opposite our names our respective places of residence.

E. Homburg residing at Olean, N.Y.

Arthur E. Homburg residing at Olean, N.Y.

**Surrogate's Court, County of Cattaraugus.**

IN THE MATTER OF PROVING THE WILL

of

FLORENCE E. LAWTON Deceased.

STATE OF NEW YORK, }  
County of Cattaraugus } ss.

Earl H. Hornburg, residing at 18 Devereux Drive, Allegany and Arthur E. Hornburg  
residing at 1501 Stardust Lane, Olean

of the .....  
of ..... in the County of Cattaraugus aforesaid, being duly sworn  
do ..... depose and say that ..... the ..... are the ..... subscribing witness<sup>es</sup> ..... to  
..... the last Will and Testament of ..... Florence E. Lawton  
late of the ..... City of Olean ..... in the County of Cattaraugus aforesaid,  
deceased. And deponent ..s further say ... that the said ..... Florence E. Lawton  
the said testatrix..... did, in the presence of deponent<sup>s</sup> .....  
subscribe ..... her..... name at the end of the instrument which is now shown and  
exhibited to deponent s.. which purports to be ..... the last  
Will and Testament of the said ..... Florence E. Lawton ..... and which bears date on the  
..... 5th ..... day of ..... February ..... in the year of our Lord, one thousand, nine hundred  
and ..... sixty ..... and deponent<sup>s</sup> further say... that the said testat.rix.....  
did at the time of subscribing her... name, as aforesaid at the end of .....  
said Will, declare the said instrument so subscribed, and now exhibited to be .. her.....  
..... last Will and Testament; and deponent s ..... Earl H. Hornburg and Arthur  
E. Hornburg.....  
did thereupon subscribe their names at the end of the ..... said Will  
as attesting witnesses thereto, in the presence and at the request of the testat.rix.. And  
deponent.s further say... that at the time when the said testat.rix..... subscribed h.er.. name  
to the ..... said last Will as aforesaid, and at the time of  
deponent s ..... Earl H. Hornburg and Arthur E. Hornburg.....  
subscribing their names as attesting witnesses thereto, as aforesaid, the said testat.rix.. was of  
sound mind and memory, of full age to execute a Will, and not under any restraint. And that  
the said ..... Last Will and Testament ..... now appears in all  
respects as when so executed without any alterations whatever ... Deponents further swear  
that this affidavit is made at the request of Henry H. Lawton, executor named in  
said Will.

*Earl H. Hornburg*  
Earl H. Hornburg  
*Arthur E. Hornburg*  
Arthur E. Hornburg

Subscribed and sworn to before me this 3rd  
day of March, 1976.  
*Henrietta M. Griffin*  
Surrogate of Cattaraugus County  
Notary Public

**HENRIETTA M. GRIFFIN**  
Notary Public-Cattaraugus County,  
New York State  
My commission expires March 30, 1976

SURROGATE'S OFFICE IN THE VILLAGE OF Little valley, New York, on the 12th  
day of March, 1976.

PRESENT: HON. EDWARD M. HOREY, Surrogate.

SURROGATE'S COURT, CATTARAUGUS COUNTY.

IN THE MATTER OF THE PROBATE OF THE  
LAST WILL AND TESTAMENT

OF

FLORENCE E. LAWTON

Deceased.

On reading and filing proof of the due service or waiver of the citation herein and upon  
due proof of the execution of the paper ..... propounded as the last will and testament .....  
..... of Florence E. Lawton  
late of the ..... City ..... of Olean ..... in said  
County, deceased, bearing date on the 5th day of February, 1960,  
Henry H. Lawton, the petitioner, appearing by his Attorneys, Hornburg, Diggs &  
Hornburg, Arthur E. Hornburg, Esq. of Counsel, no other distributee appearing,  
there being no minor distributees of said deceased;

and it appearing by such proof that the said will .....  
..... was ..... duly executed, that the testatrix ..... at the time of executing  
the same, was of full age for making a will was of sound mind and memory, and not under  
restraint, and in all respects competent to make a will and the probate thereof not having  
been contested.

IT IS ORDERED, ADJUDGED AND DECREED that the said paper ..... purporting to be  
the last will and testament ..... of the said  
..... Florence E. Lawton  
deceased, was ..... duly executed to pass real and personal property and that the same be ad-  
mitted to probate as a will of real and personal property and recorded as such, and that  
Letters Testamentary ..... be issued thereon to  
the Executor, Henry H. Lawton ..... who may qualify thereunder.

WITNESS, HON. Edward M. Horey, Surrogate, and the seal of  
the Court the day and year first above written.

(Seal)

Edward M. Horey  
Surrogate.

State of New York

County of Cattaraugus,

Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Last Will and Testament of Florence E. Lawton, Deceased, the Proof of Will of Earl H. Hornburg verified the 3rd day of March, 1976, the Decree Admitting Will to Probate dated the 12th day of March, 1976, and the Certificate of Probate

with the originals thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original s

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

THE PEOPLE OF THE STATE OF NEW YORK

BY THE GRACE OF GOD FREE AND INDEPENDENT

To All To Whom These Presents Shall Come or May Concern, Send Greeting:

Know Ye, That at a Surrogate's Court held in and for the County of Cattaraugus and State of New York, at the Surrogate's Office in the Village of Little Valley in said County on the 12th day of March, one thousand nine hundred and seventy-six before Hon. Edward M. Horey Surrogate a decree was duly made admitting to probate The Last Will and Testament of Florence E. Lawton late of the City of Olean in the said county, deceased.

And Henry H. Lawton nominated and appointed Executor in said Last Will and Testament having qualified as required by law.

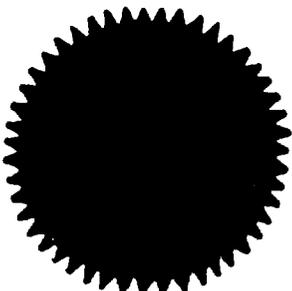
Now Therefore, we do grant these Letters Testamentary to the said Executor giving and granting unto Henry H. Lawton

power and authority to execute the provisions of said Last Will and Testament and to administer and dispose of the Estate of said deceased as required by law.

In Testimony Whereof, We have caused the seal of our said Surrogate's Court to be hereunto affixed.

Witness, Hon. Edward M. Horey, Surrogate of said County, at the Village of Little Valley, in said county, the 12th day of March, in the year of our Lord one thousand nine hundred and seventy-six

Hazel Wright Deputy Clerk of the Surrogate's Court



State of New York  
County of Cattaraugus,  
Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of Letters Testamentary issued to Henry H. Lawton under the Last Will and Testament of Florence E. Lawton Deceased, recorded in Volume 35 of Probate at Page 134.

with the original record thereof. now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original record

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

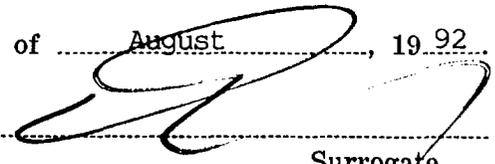
*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

**State of New York  
County of Cattaraugus,  
Surrogate's Court.**

ss

I, ..... Paul B. Kelly ....., Surrogate of the County of Cattaraugus and presiding magistrate of the Surrogate's Court, the same being a Court of Record, do hereby certify that ..... Florence J. Fuller ....., whose name is subscribed to the preceding exemplification is the ..... Chief ..... Clerk of said Surrogate's Court of the County of Cattaraugus, State of New York, and that full faith and credit are due to her official acts. I further certify that the seal affixed to the exemplification is the seal of our said Surrogate's Court, and that the attestation thereof is in due form, and according to the form of attestation used in this State.

Dated at Little Valley, New York, this 25th day of August, 19 92.

  
.....  
Surrogate.

STATE OF NEW YORK,  
County of Cattaraugus.

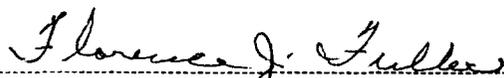
ss.

I, ..... Florence J. Fuller ..... Chief, Clerk of the Surrogate's Court of the County of Cattaraugus, do hereby certify that Hon. ..... Paul B. Kelly .....  
....., whose name is subscribed to the preceding certificate, is the presiding magistrate of the Surrogate's Court of the County of Cattaraugus, duly elected, sworn and qualified, and that the signature of said Magistrate to said certificate is genuine.

IN WITNESS WHEREOF, I have hereunto set my

(Seal)

hand and affixed the seal of said Court this 25th day of August, 19 92.

  
.....  
Chief Clerk of the Surrogate's Court.

SURROGATE'S COURT  
COUNTY OF CATTARAUGUS.

BE IT REMEMBERED, That in pursuance of Section 1422 of the Surrogate's Court Procedure Act, I hereby certify that on the 5th day of April, 1972, the last will and testament of Amanda K. Parks, deceased, being the following written instrument, was upon due proof duly admitted to probate by the Surrogate's Court of the County of Cattaraugus, and by the Surrogate of said County as and for the last will and testament of said deceased, and as a will valid to pass real and personal property, and that said will is recorded in this office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of office of the Surrogate of said County, this 5th day of April, 1972.

(L.S.)

Hazel Wright  
Deputy Clerk of the Surrogate's Court

FIFTH: All the rest, residue and remainder of my property, both real and personal, of every kind and nature, I give, devise and bequeath to my son, JOHN CHARLES PARKS, New York, New York. In the event he shall predecease me, then I give, devise and bequeath said rest, residue and remainder to my niece, EDITH LORENA KRAKAT.

# Last Will and Testament,

I, -----AMANDA K. PARKS, ----- of the  
Town of Olean, in the County of Cattaraugus,  
and State of New York, being of sound mind and memory, do make,  
publish and declare this my last ~~Will and Testament~~, in manner following, that  
is to say:

**First.** I direct that all my just debts and funeral expenses be paid.

SECOND: I give and bequeath to my nephew, LINUS CLYDE CARLSON, Olean, N.Y.,  
the sum of Five Hundred Dollars (\$500.00).

THIRD: I give and bequeath to my great-nephew, WILLARD LEE MCKAY, R. D.,  
Olean, New York, the sum of Five Hundred Dollars (\$500.00).

FOURTH: I give and bequeath to my niece, EDITH LORENA KRAKAT, R. D. 1,  
Olean, New York, the sum of Five Thousand Dollars (\$5,000.00), and the entire  
contents of my home located on East State Road, R. D. 2, Olean, New York,  
including my antiques, clothing and other personal possessions, and including any  
cash that may be at my residence at the time of my death.

FIFTH: All the rest, residue and remainder of my property, both real and  
personal, of every kind and nature, I give, devise and bequeath to my son, JOHN  
CHARLES PARKS, New York, New York. In the event he shall predecease me, then I  
give, devise and bequeath said rest, residue and remainder to my niece, EDITH  
LORENA KRAKAT.

Lastly I hereby appoint my said son, JOHN CHARLES PARKS, Executor of the my last Will and Testament; providing however that in the event my said son shall predecease me or be unable to qualify as such Executor, then I hereby appoint my niece, EDITH LORENA KRAKAT,

executrix of this, my last Will and Testament, with full power and authority to sell and convey, lease or mortgage real estate; hereby revoking all former wills by me made.

In Witness Whereof, I have hereunto subscribed my name the 14<sup>th</sup> day of July, in the year Nineteen Hundred and Sixty-nine (1969)

Amanda K. Parks 

We, whose names are hereto subscribed, Do Certify that on the 14<sup>th</sup> day of July, 1969, AMANDA K. PARKS, the testatrix above named, subscribed her name to this instrument in our presence and in the presence of each of us, and at the same time, in our presence and hearing, declared the same to be her last Will and Testament, and requested us, and each of us, to sign our names thereto as witnesses to the execution thereof, which we hereby do in the presence of the testatrix and of each other, on the day of the date of the said Will, and write opposite our names our respective places of residence.

Sydney Shaw residing at Olean, N. Y.

Margaret E. Veckter residing at Salamanca, N. Y.

\*Two witnesses required

Will

OF

AMANDA K. PARKS

ed, July 14<sup>th</sup>, 1969

SHANE & MCCARTHY  
ATTORNEYS & COUNSELLORS AT LAW  
102 FIRST NATIONAL BANK BUILDING  
OLEAN, NEW YORK

Surrogate's Court, County of Cattaraugus.

IN THE MATTER OF PROVING THE WILL

of

AMANDA K. PARKS

Deceased.

STATE OF NEW YORK, }
County of Cattaraugus } ss.

G. SYDNEY SHANE of the City of Olean, and MARGARET E. WACHTER,

of the City

of Salamanca

in the County of Cattaraugus aforesaid, being duly sworn

do depose and say that the Y... are the subscribing witnesses to

the last Will and Testament of Amanda K. Parks,

late of the in the County of Cattaraugus aforesaid,

deceased. And deponent S. further say that the said Amanda K. Parks,

the said testat.rix. did, in the presence of deponents

subscribe her name at the end of the instrument which is now shown and

exhibited to deponent S. which purports to be the last

Will and Testament of the said Amanda K. Parks, and which bears date on the

14th day of July, in the year of our Lord, one thousand, nine hundred

and Sixty-nine (1969) and deponents S. further say that the said testat.rix.

did at the time of subscribing h.er. name, as aforesaid at the end of

said Will, declare the said instrument so subscribed, and now exhibited to be

her last Will and Testament; and deponents

did thereupon subscribe their names at the end of the said Will

as attesting witnesses thereto, in the presence and at the request of the testat.rix. And

deponents S. further say that at the time when the said testat.rix. subscribed h.er. name

to the said last Will as aforesaid, and at the time of

deponent S

subscribing their names as attesting witnesses thereto, as aforesaid, the said testat.rix. was of

sound mind and memory, of full age to execute a Will, and not under any restraint. And that

the said Will and Testament now appears in all

respects as when so executed without any alterations whatever

Deponents further say this affidavit is made at the request of the Executor

named in said Will and pursuant to §1406 of the SCPA.

G. Sydney Shane
Margaret E. Wachter
(Margaret E. Wachter)

Subscribed and sworn to before me this 4th

day of April, 1972

Caroline M. Predgo

Surrogate of Cattaraugus County
CAROLINE M. PREGGO
Notary Public, State of New York
Qualified in Cattaraugus County
My Commission Expires March 30, 1974

State of New York

County of Cattaraugus,

Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Last Will and Testament of Amanda K. Parks, Deceased, the Proof of Will of G. Sydney Shane and Margaret E. Wachter verified the 4th day of April, 1972, the Decree Admitting Will to Probate dated the 5th day of April, 1972, and the Certificate of Probate

with the originals thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

THE PEOPLE OF THE STATE OF NEW YORK

BY THE GRACE OF GOD FREE AND INDEPENDENT

To All To Whom These Presents Shall Come or May Concern, Send Greeting:

Know Ye, That at a Surrogate's Court held in and for the County of Cattaraugus and State of New York, at the Surrogate's Office in the Village of Little Valley in said County on the 5th day of April, one thousand nine hundred and seventy-two before Hon. Edward M. Horey Surrogate a decree was duly made admitting to probate The Last Will and Testament of Amanda K. Parks late of the Town of Olean in the said county, deceased.

And

John Charles Parks nominated and appointed Executor in said Last Will and Testament having qualified as required by law.

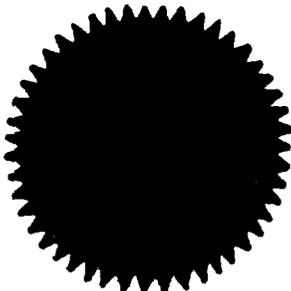
Now Therefore, we do grant these Letters Testamentary to the said Executor giving and granting unto

John Charles Parks power and authority to execute the provisions of said Last Will and Testament and to administer and dispose of the Estate of said deceased as required by law.

In Testimony Whereof, We have caused the seal of our said Surrogate's Court to be hereunto affixed.

Witness, Hon. Edward M. Horey, Surrogate of said County, at the Village of Little Valley, in said county, the 5th day of April, in the year of our Lord one thousand nine hundred and seventy-two

Hazel Wright Deputy Clerk of the Surrogate's Court



State of New York

County of Cattaraugus,

Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of Letters Testamentary issued to John C. Parks under the Last Will and Testament of Amanda K. Parks, Deceased, recorded in Volume 33 of Probate at Page 44.

with the original record thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original record

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

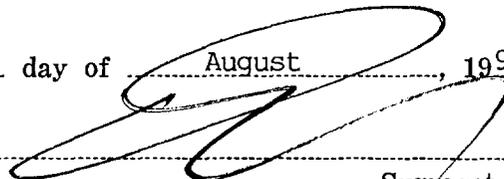
Florence J. Fuller  
Chief Clerk of the Surrogate's Court.

**State of New York**  
**County of Cattaraugus,**  
**Surrogate's Court.**

ss

I, ..... Paul B. Kelly ....., Surrogate of the County of Cattaraugus and presiding magistrate of the Surrogate's Court, the same being a Court of Record, do hereby certify that ..... Florence J. Fuller ....., whose name is subscribed to the preceding exemplification is the ..... Chief ..... Clerk of said Surrogate's Court of the County of Cattaraugus, State of New York, and that full faith and credit are due to her official acts. I further certify that the seal affixed to the exemplification is the seal of our said Surrogate's Court, and that the attestation thereof is in due form, and according to the form of attestation used in this State.

Dated at Little Valley, New York, this ..... 25th ..... day of ..... August ....., 1992

  
.....  
Surrogate.

STATE OF NEW YORK,  
County of Cattaraugus.

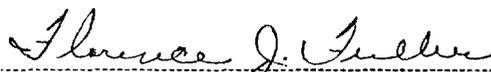
ss.

I, ..... Florence J. Fuller ..... Chief ....., Clerk of the Surrogate's Court of the County of Cattaraugus, do hereby certify that Hon. ..... Paul B. Kelly .....  
....., whose name is subscribed to the preceding certificate, is the presiding magistrate of the Surrogate's Court of the County of Cattaraugus, duly elected, sworn and qualified, and that the signature of said Magistrate to said certificate is genuine.

IN WITNESS WHEREOF, I have hereunto set my

(Seal)

hand and affixed the seal of said Court this ..... 25th .....  
day of ..... August ....., 19 92.

  
.....  
Chief Clerk of the Surrogate's Court.

PAID

Form 1

STATE OF NEW YORK

SURROGATE'S COURT

COUNTY OF CATTARAUGUS

APR 10 1984

FEE \$ 15.00
SURROGATE'S OFFICE
CATTARAUGUS COUNTY
LITTLE VALLEY, N. Y.

In the Matter of Proving the Last Will and Testament of

JOHN C. PARKS

Deceased.

PETITION FOR THE PROBATE OF WILL

File No. \_\_\_\_\_

To the Surrogate's Court, County of Cattaraugus

It is respectfully alleged:

(1) The name(s), domicile(s) (or in the case of a bank or trust company, the principal office) and interest(s) in this proceeding of the petitioner(s) are as follows:

Name: Richard C. Boser

Domicile or Principal Office: 1594 E. State Road, RD #3, Olean, NY

Name:

Domicile or Principal Office: (Street and Number) (City, Village or Town) (State)

Interest (s) of Petitioner(s): (Check one)

- Executed(s) named in decedent's Last Will presented herewith
Other (Specify)

(2) The name, domicile, date and place of death, and national citizenship of the above-named deceased are as follows:

(a) Name: John C. Parks

(b) Date of death 3/15/84

(c) Place of death 1590 E. State Road, Olean, NY

(d) Domicile Street 1590 E. State Road, Olean, City, Town, Village Olean County Cattaraugus

State NY

(e) Citizen: (Subject) of U.S.A.

(3) The Last Will, herewith presented, relates to both real and personal property and consists of an instrument or instruments dated as shown below and signed at the end thereof by the decedent and the following subscribing witnesses:

November 11, 1984 (Date of Will)

Donna Beasley; Michael K. Considine (Witnesses to Will)

(Date of Codicil)

(Witnesses to Codicil)

(4) There is no other will or codicil of the decedent on file in the office of the court, and upon information and belief, there exists no will, codicil or other testamentary instrument of the decedent later in date to any of the instruments mentioned in paragraph (3) hereof, except no exceptions

(5) The decedent left surviving:

- (a) [ no ] Spouse (husband/wife).
(b) [ no ] Child or children, or descendants or predeceased child or children.
(c) [ no ] Father/mother.
(d) [ no ] Brothers or sisters, either of the whole or half-blood; or descendants of such predeceased brothers or sisters.
(e) [ no ] Grandfather/grandmother.
(f) [ no ] Uncles or aunts.
(g) [ two ] Descendants of predeceased uncles or aunts.

(Information is required only as to those classes of surviving relatives who would take the property of decedent if there were no will. The term "child or children" includes adopted as well as natural children. State number of survivors in each such class. Insert "X" in all subsequent classes. Insert "NO" in all prior classes.)

(6) The names, relationships, and addresses of all distributees, of each person designated in the Last Will herewith presented as primary executor, of all persons adversely affected by the purported exercise by such Will of any power of appointment, of all persons adversely affected by any codicil and of all persons having an interest under any prior will of the

decedent or file in the Surrogate's office, are hereinafter set forth in subdivisions (a) and (b):

(a) All persons and parties so interested who are of full age and sound mind, or which are corporations or associations, are as follows:

Name and Address	Relationship	Description of Legacy, Devise or Other Interest, or Nature of Fiduciary Status
✓ Edith Krakat, 131 N. Sixth St. Olean, NY 14760	1st cousin	None
✓ Linus Carlson, 1307 W. Sullivan St. Olean, NY 14760	1st cousin	None

(b) All persons so interested who are persons under disability as defined in SCPA 103(37), are as follows:

(Please furnish all information specified in NOTE below.)

None

(Note: In the case of each infant, state (a) name, birth date, age, relationship to decedent, residence address, and the person with whom he resides; (b) whether or not he has a general or testamentary guardian, and whether or not his father, or if dead, his mother, is living; and (c) the name and residence address of any guardian and any living parent. In the case of each other person under disability state (a) name, relationship to decedent, and residence address; (b) facts regarding his disability, including whether or not a committee has been appointed and whether or not he has been committed to any institution; and (c) the names and address of any committee, any person or institution having care and custody of him, and any relative or friend having an interest in his welfare. In the case of person confined as a prisoner, state place of incarceration. In the case of unknowns, describe such persons in the same language as will be used in the process. In each case give a brief description of the party's legacy, devise or other interest as in paragraph (6)(a) hereof.)

(7) The names and domiciliary addresses of all substitute or successor executors and of all trustees, guardians, legatees and devisees, and other beneficiaries named in the Last Will herewith presented, other than those named in Paragraph (6), are hereinafter set forth in subdivisions (a) and (b):

(a) All such other legatees and devisees who are of full age and sound mind, or which are corporations or associations, are as follows:

Name	Address	Description of Legacy, Devise or Other Interest, or Nature of Fiduciary Status
Richard C. Boser, 1594 E. State Rd. Olean, NY 14760		Specific Legacy - forgave mortgage owed to deceased Executor
Priscilla Boser, 1594 E. State Rd., Olean, NY		Specific Legacy - forgave mortgage owed to deceased

Lewis E. McLaughlin, 384 Lancaster Ave., Ft. Charlotte, Fla. Residuary Legatee - 1/2 (one-half)  
balance of estate Form 1, Pg. 3

Lois M. McLaughlin, 384 Lancaster Ave., Ft. Charlotte, Fla. Residuary Legatee - 1/2 (one-half)  
balance of estate

(b) All such other legatees, devisees and other beneficiaries who are persons under disability, are as follows:  
(Please furnish all information specified in NOTE to paragraph (6)(b) hereof.)

None

(8) There are no persons, corporations, or associations interested in this proceeding other than those hereinabove mentioned.

(9) To the best of the knowledge of the undersigned, the approximate total value of all property constituting the decedent's gross testamentary estate is not more than \$ 90,000.00 nor less than \$ 50,000.00

(10) Upon information and belief, no other petition for the probate of any will of the decedent or for the granting of letters of administration on the decedent's estate has heretofore been filed in any Court.

WHEREFORE your petitioner(s) pray(s) (a) that process be issued to all necessary parties to show cause why the Last Will herewith presented should not be admitted to probate; (b) that an order be granted directing the service of process pursuant to the provisions of article 3 of the SCPA, upon the persons named in paragraph (6) hereof who are non-domiciliaries, or whose names or whereabouts are unknown and cannot be ascertained; and (c) that such Last Will be admitted to probate as a will of real and personal property and that letters issue thereon as follows:

(Check and complete appropriate request.)

- Letters Testamentary to Richard C. Boser
- Letters of Trusteeship to

Dated: 4/6/84

X Richard C. Boser  
(Petitioner)  
Richard C. Boser  
(Petitioner)

STATE OF NEW YORK  
COUNTY OF CATTARAUGUS

} ss.:

COMBINED VERIFICATION,  
OATH AND DESIGNATION  
(For use when a petitioner to be appointed executor  
is not a bank or trust company)

I, the undersigned, Richard C. Boser being duly sworn, say:

(1) VERIFICATION: I have read the foregoing petition subscribed by me and know the contents thereof, and the same is true of my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters I believe it to be true.

(2) OATH OF EXECUTOR: I am over twenty-one (21) years of age and a citizen of the United States; I am the executor(trix) named in the Last Will described in the foregoing petition and will well, faithfully and honestly discharge the duties of such executor(trix), and the trust reposed in me and duly account for all moneys or other property which may come in to my hands. I am not ineligible to receive letters.

(3) DESIGNATION OF CLERK FOR SERVICES OF PROCESS: I do hereby designate the Clerk of the Surrogate's Court of Cattaraugus County, and his or her successor in office as a person on whom service of any process issuing from such Surrogate's Court may be made, in like manner and with like effect as if it were served personally upon me whenever I cannot be found and served within the State of New York after due diligence used.  
My domicile is 1594 E. State Rd., RD #3, Olean, NY 14760

X Richard C. Boser  
(Signature of Petitioner)

On 4/6/84

19 84, before me personally came Richard C. Boser to me known to be the person described in and who executed the foregoing instrument. Such person duly swore to such instrument before me and duly acknowledged that executed the same.

Richard H. Conacher  
(Notary Public)

STATE OF NEW YORK  
COUNTY OF

} ss.:

COMBINED VERIFICATION,  
CONSENT AND DESIGNATION  
(For use when a petitioner to be appointed executor  
is a bank or trust company)

I, the undersigned, a

(Title)

of

(Name of Bank or Trust Company)

being duly sworn, say:

(1) VERIFICATION: I have read the foregoing petition subscribed by me and know the contents thereof, and the same is true of my own knowledge, except as to those matters therein stated to be alleged upon information and belief, and as to those matters I believe it to be true.

(2) CONSENT: corporation/national banking association under the laws of executor of the Last Will described in the foregoing petition and consents to act as such executor. hereby accepts its appointment as

(3) DESIGNATION: corporation/national banking association under the laws of having an office hereby designated the Clerk of the Surrogate's Court of County, and his or her successor in office, as a person on whom service of any process issuing from such Surrogate's Court may be made, in like manner and with like effect as if it were served personally upon such corporation/national banking association, whenever one of its proper officers cannot be found and served within the State of New York, after due diligence used.

\_\_\_\_\_  
(Signature and Title)

\_\_\_\_\_  
(Name of Bank or Trust Company)

By: \_\_\_\_\_  
(Signature and Title)

ATTEST:

\_\_\_\_\_  
(Signature and Title)

On \_\_\_\_\_, 19\_\_\_\_, before me personally came \_\_\_\_\_, to me known, who duly swore to the foregoing instrument and who did say that he resides at \_\_\_\_\_ and that he is a \_\_\_\_\_ of the corporation/national banking association described in and which executed such instrument; that he knows the seal of such Board of Directors of such \_\_\_\_\_; that the seal affixed to such instrument is such seal and was so affixed by order of the and that he signed his name thereto by like authority.

\_\_\_\_\_  
(Notary Public)

Filed: April 10th, 1984

Lauren J. Fuller Chief Clerk

ATTORNEY

Name of Attorney Michael K. Consedine Tel. No. (716) 372-4450  
Address of Attorney 309 Masonic Temple Bldg.  
Olean, NY 14760

State of New York  
County of Cattaraugus,  
Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Petition for Probate of Will verified the 6th day of April, 1984 in the matter of the estate of John C. Parks, Deceased

with the original thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

SURROGATE'S COURT  
COUNTY OF CATTARAUGUS.

BE IT REMEMBERED, That in pursuance of Section 1422 of the Surrogate's Court Procedure Act, I hereby certify that on the ...16th. day of .....April..... , 1984, the last will and testament of .....John C. Parks..... , deceased, being the following written instrument, was upon due proof duly admitted to probate by the Surrogate's Court of the County of Cattaraugus, and by the Surrogate of said County as and for the last will and testament ..... of said deceased, and as a will valid to pass real and personal property, and that said will is recorded in this office.

(L.S.)

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of office of the Surrogate of said County, this ...16th... day of .....April..... , 19..84

.....Debra J. Brown.....  
Deputy Clerk of the Surrogate's Court

# Last Will and Testament

I, John C. Parks, of the Town of Olean, in the County of Cattaraugus and State of New York, being of sound mind and memory, do make, publish and declare this to be my LAST WILL AND TESTAMENT, in manner following, that is to say:

FIRST: I direct that all my just debts and funeral expenses be paid as soon after my death as may be practicable.

SECOND: All the rest, residue and remainder of my property both real and personal, wheresoever situate, I give, devise and bequeath to LEWIS E. McLAUGHLIN and LOIS M. McLAUGHLIN of Port Charlotte, Florida, per stirpes except for the bequest as indicated in Paragraph THIRD.

THIRD: I direct that the mortgage debt owed to me by RICHARD BOSER and PRISCILLA BOSER, his wife, be forgiven totally and direct my Executor to file a Discharge of Mortgage hereby waiving whatever is owed by the aforementioned RICHARD BOSER and PRISCILLA BOSER on principal and interest on a mortgage made by them as mortgagors and naming me as mortgagee executed and delivered on April 5, 1983.

FOURTH: I authorize my executor to sell, mortgage, lease or convey any real property which I may own at the time of my death, and to execute and deliver deeds or other instruments necessary to carry out such power. I further authorize my executor to make distribution of assets in kind, if such distribution appears desirable, rather than converting the same to cash for such purpose.

LASTLY, I hereby appoint RICHARD C. BOSER, as sole executor of this my LAST Will and Testament hereby revoking all former Wills by me made.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of November, Nineteen Hundred Eighty-three.

(1983)

John C. Parks (L.S.)

WE, whose names are hereto subscribed, DO CERTIFY, that on the 11 day of November, 1983, John C Parks the testator above named, subscribed his name to this instrument in our presence and in the presence of each of us and at the same time, in our presence and hearing, declared the same to be his Last Will and Testament, and requested us, and each of us, to sign our names thereto as witnesses to the execution thereof, which we hereby do in the presence of the testator and of each other, on the day of the date of the said Will, and write opposite our names our respective places of residence.

Wendell K. Carline residing at Olean, NY

Kenna Brasley residing at Portville, N.Y.

Surrogate's Court, County of Cattaraugus.

**RECEIVED**

**APR 13 1984**

**SURROGATE COURT  
CATTARAUGUS COUNTY  
LITTLE VALLEY, N. Y.**

IN THE MATTER OF PROVING THE WILL  
of  
JOHN C. PARKS  
Deceased.

STATE OF NEW YORK, }  
County of Cattaraugus } ss.

MICHAEL K. CONSEDINE

\_\_\_\_\_ of the City  
of Olean in the County of Cattaraugus aforesaid, being duly sworn  
do es depose and say that \_\_\_\_\_ he is one of the subscribing witness es to  
\_\_\_\_\_ the last Will and Testament of John C. Parks  
late of the Town of Olean in the County of Cattaraugus aforesaid,  
deceased. And deponent \_\_\_\_\_ further say s that the said John C. Parks  
the said testat or did, in the presence of deponent and Donna Beasley  
subscribe his name at the end of the instrument (~~Court Certified Reproduction~~) (original Will) which is now  
shown and exhibited to deponent \_\_\_\_\_ which purports to be \_\_\_\_\_ the last  
Will and Testament of the said John C. Parks and which bears date on the  
11th day of November in the year of our Lord, one thousand, nine hundred  
and eighty-three and deponent \_\_\_\_\_ further say s that the said testat or  
did at the time of subscribing h is name, as aforesaid at the end of \_\_\_\_\_  
said Will, declare the said instrument so subscribed, and now exhibited to be his  
\_\_\_\_\_ last Will and Testament; and deponent and Donna Beasley

\_\_\_\_\_ did thereupon subscribe their names at the end of the \_\_\_\_\_ said Will  
as attesting witnesses thereto, in the presence and at the request of the testat or \_\_\_\_\_ And  
deponent \_\_\_\_\_ further say s that at the time when the said testat or \_\_\_\_\_ subscribed h is name  
to the \_\_\_\_\_ said last Will as aforesaid, and at the time of  
deponent and Donna Beasley  
subscribing their names as attesting witnesses thereto, as aforesaid, the said testat or \_\_\_\_\_ was of  
sound mind and memory, of full age to execute a Will, and not under any restraint. And that the said \_\_\_\_\_  
Last Will and Testament now appears in all  
respects as when so executed without any alterations whatever \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1984

William J. Kelly  
Surrogate of Cattaraugus County  
NOTARY PUBLIC

Michael K. Consedine  
Michael K. Consedine

Surrogate's Court, County of Cattaraugus.

**RECEIVED**

**APR 10 1984**

SURROGATE COURT  
CATTARAUGUS COUNTY  
LITTLE VALLEY, N. Y.

IN THE MATTER OF PROVING THE WILL  
of  
JOHN C. PARKS  
Deceased.

STATE OF NEW YORK  
County of CATTARAUGUS

ss. Donna Beasley

\_\_\_\_\_ of the \_\_\_\_\_ City  
of Olean in the County of Cattaraugus aforesaid, being duly sworn  
do es depose and say that she is one of the subscribing witness es to  
\_\_\_\_\_ the last Will and Testament of John C. Parks  
late of the Town of Olean in the County of Cattaraugus aforesaid,  
deceased. And deponent s further say s that the said John C. Parks  
the said testat or did, in the presence of deponent and Michael K. Consedine  
subscribe his name at the end of the instrument (~~COPY OF ORIGINAL~~) (original Will) which is now  
shown and exhibited to deponent \_\_\_\_\_ which purports to be \_\_\_\_\_ the last  
Will and Testament of the said John C. Parks and which bears date on the  
11th day of November in the year of our Lord, one thousand, nine hundred  
and eighty-three and deponent s further say s that the said testat or  
did at the time of subscribing his name, as aforesaid at the end of \_\_\_\_\_  
said Will, declare the said instrument so subscribed, and now exhibited to be his  
\_\_\_\_\_ last Will and Testament; and deponent and Michael K. Consedine

\_\_\_\_\_ did thereupon subscribe their names at the end of the \_\_\_\_\_ said Will  
as attesting witnesses thereto, in the presence and at the request of the testat or \_\_\_\_\_ And  
deponent s further say s that at the time when the said testat or \_\_\_\_\_ subscribed her name  
to the \_\_\_\_\_ said last Will as aforesaid, and at the time of  
deponent and Michael K. Consedine  
subscribing their names as attesting witnesses thereto, as aforesaid, the said testat or \_\_\_\_\_ was of  
sound mind and memory, of full age to execute a Will, and not under any restraint. And that the said \_\_\_\_\_  
Last Will and Testament now appears in all  
respects as when so executed without any alterations whatever \_\_\_\_\_

Subscribed and sworn to before me this 23  
day of March, 1984

*Donna Beasley*  
Donna Beasley

*Carol Mergen*  
Notary Public  
9.30.87

AT A SURROGATE'S COURT, held in and for the County of Cattaraugus at the Surrogate's Office  
in the Village of Little Valley, New York, on the 16th  
day of April, 1984.

PRESENT: HON. James F. Crowley, / Acting, Surrogate.

SURROGATE'S COURT, CATTARAUGUS COUNTY.

IN THE MATTER OF THE PROBATE OF THE  
LAST WILL AND TESTAMENT

OF

John C. Parks

Deceased.

On reading and filing proof of the due service or waiver of the citation herein and upon due proof of the execution of the paper \_\_\_\_\_ propounded as the last will and testament \_\_\_\_\_ of John C. Parks, late of the Town of Olean, in said County, deceased, bearing date on the 11th day of November, 1983, Richard C. Boser, the petitioner, appearing by his Attorney, Michael K. Consedine, Attorney, no other distributee appearing, there being no minor distributees of said deceased;

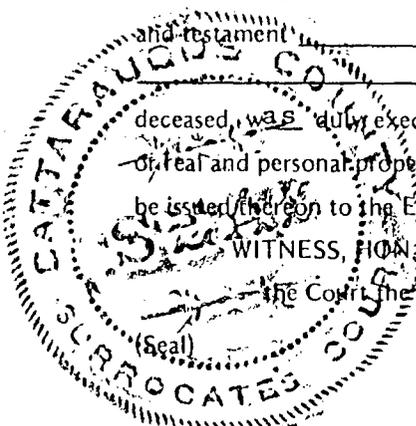
and it appearing by such proof that the said will \_\_\_\_\_ was duly executed, that the testator \_\_\_\_\_ at the time of executing the same, was of full age for making a will was of sound mind and memory, and not under restraint, and in all respects competent to make a will and the probate thereof not having been contested.

IT IS ORDERED, ADJUDGED AND DECREED that the said paper \_\_\_\_\_ purporting to be the last will and testament \_\_\_\_\_ of the said John C. Parks,

deceased, was duly executed to pass real and personal property and that the same be admitted to probate as a will of real and personal property and recorded as such, and that Letters Testamentary \_\_\_\_\_ be issued thereon to the Executor, Richard C. Boser who may qualify thereunder.

WITNESS, HON. James F. Crowley, Acting, Surrogate, and the seal of

the Court the day and year first above written.



James F. Crowley  
Surrogate.

**State of New York**

**County of Cattaraugus,**

**Surrogate's Court**

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Last Will and Testament of John C. Parks, Deceased, the Proof of Will of Michael K. Consedine verified the 12th day of April, 1984, the Proof of Will of Donna Beasley verified the 23rd day of March, 1984, the Decree Admitting Will to Probate dated the 16th day of April, 1984 and the Certificate of Probate

with the original s thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original s

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

Florence J. Fuller  
Chief Clerk of the Surrogate's Court.

THE PEOPLE OF THE STATE OF NEW YORK

BY THE GRACE OF GOD FREE AND INDEPENDENT

To All To Whom These Presents Shall Come or May Concern, Send Greeting:

Know Ye, That at a Surrogate's Court held in and for the County of Cattaraugus and State of New York, at the Surrogate's Office in the Village of Little Valley in said County on the 16th day of April, one thousand nine hundred and eighty-four before Hon. James F. Crowley, Acting Surrogate a decree was duly made admitting to probate The Last Will and Testament of John C. Parks late of the Town of Olean in the said county, deceased.

And Richard C. Boser

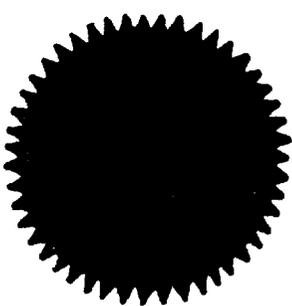
nominated and appointed Executor in said Last Will and Testament having qualified as required by law.

Now Therefore, we do grant these Letters Testamentary to the said Executor giving and granting unto Richard C. Boser, following the death of the decedent which occurred on March 15, 1984, power and authority to execute the provisions of said Last Will and Testament and to administer and dispose of the Estate of said deceased as required by law.

In Testimony Whereof, We have caused the seal of our said Surrogate's Court to be hereunto affixed.

Witness, Hon. James F. Crowley, Acting Surrogate of said County, at the Village of Little Valley, in said county, the 16th day of April, in the year of our Lord one thousand nine hundred and eighty-four

Debra J. Brown Deputy Chief Clerk of the Surrogate's Court



State of New York  
County of Cattaraugus,  
Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of Letters Testamentary issued to Richard C. Boser under the Last Will and Testament of John C. Parks, Deceased, recorded in Volume 76 of Letters Testamentary at page 162

with the original record thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original record

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

Florence J. Fuller

Chief Clerk of the Surrogate's Court.

At a Surrogate's Court held in and for the County of Cattaraugus, Little Valley, New York, on Feb. 15th 1985

PRESENT: HON. Edward M. Horey SURROGATE  
 SURROGATE'S COURT, CATTARAUGUS COUNTY

IN THE MATTER OF THE ESTATE  
 OF

JOHN C. PARKS  
 Deceased.

Decree on Filing Instrument Approving Accounts  
 (Informal Accounting) (Sec. 2203 SCPA)

FILE NO. 23,050

Richard C. Boser, as executor of the estate of John C. Parks, deceased, who at the time of his death was domiciled at Olean, NY having heretofore, filed a petition, verified the \_\_\_\_\_ day of November, 1984, in which application was made to the Surrogate's Court, County of Cattaraugus, for a Decree pursuant to SCPA 2203, releasing and discharging him and the sureties on his bond from any further liability to the persons interested in the Estate of John C. Parks deceased, and it appearing therefrom, and from the instruments annexed to said petition, that all of the persons interested in the said estate have executed acknowledged instruments approving the account of the petitioner, and releasing and discharging him, that all taxes have been paid, that the petitioner has fully accounted and made full disclosure in writing of his administration of the estate as appears from the account annexed to said petition, that the time for creditors to present claims has expired, and that all known debts of the decedent and administration expenses have been paid, and the Court having examined the said account and the instruments annexed to the petition herein, now here finds the state and condition of the said account to be as stated, and set forth in the following summary statement thereof, to wit:

A SUMMARY STATEMENT of the account of Richard C. Boser as executor of the Estate of John C. Parks deceased.

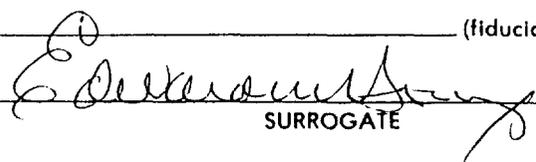
Charges		Credits	
Amount received	\$ <u>2,938.36</u>	Decreases	\$ <u>0</u>
Increases	<u>36,610.03</u>	Administration expenses	<u>7,482.50</u>
Total Charges	\$ <u>39,548.39</u>	Creditors' claims paid	<u>3,612.24</u>
		Legacies or distributive shares paid	<u>0</u>
		Total Credits	\$ <u>11,094.74</u>

Leaving a balance in the hands of said Richard C. Boser (Fiduciary) of \$ 28,453.65 which is subject to deduction of commissions, and

It appearing that the said Richard C. Boser (fiduciary) has fully accounted, and made full disclosure of his administration of the estate of the said decedent to all persons interested, and such persons having approved his account and consented that he be released and discharged from any further liability to them and each of them, it is

ORDERED, ADJUDGED AND DECREED that the said Richard C. Boser, AND \_\_\_\_\_, the surety on his bond as \_\_\_\_\_ (fiduciary), be and they and each of them are hereby released and discharged from all further liability as such \_\_\_\_\_ (fiduciary), and as surety on his bond, to all of the persons who have executed acknowledged instruments approving said account and releasing and discharging said Richard C. Boser as \_\_\_\_\_ (fiduciary).

ENTER:

  
 SURROGATE

State of New York

County of Cattaraugus,

Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Decree on Filing Instrument Approving Accounts dated the 15th day of February, 1985 in the matter of the estate of John C. Parks, Deceased.

with the original thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

Florence J. Fuller Chief Clerk of the Surrogate's Court.

PETITION -- Discharge of Legal Representative.

SURROGATE'S COURT, CATTARAUGUS COUNTY, NEW YORK

PAID

In the Matter of the Estate of JOHN C. PARKS Deceased.

NOV 20 1984 FEE \$ 100.00 SURROGATE'S OFFICE CATTARAUGUS COUNTY LITTLE VALLEY, N. Y.

To the Surrogate's Court of the County of Cattaraugus:

The petition of Richard C. Boser of the Town of Olean in the County of Cattaraugus and the State of New York, respectfully shows:

That on the 16th day of April, 1984, Letters Testamentary the estate of John C. Parks late of the Town of Olean in the said County of Cattaraugus, deceased, were duly issued to your petitioner by this Court.

That all claims and demands against the said deceased have been paid and satisfied; that the estate of said deceased was not subject to the payment of any transfer or estate tax

That the following named persons, with their ages and places of residence, and relationship to the said deceased, set opposite their respective names are the only persons interested in the estate of the said deceased, or in the judicial settlement of the accounts of your petitioner:

Table with 4 columns: NAME, AGE, RELATIONSHIP, RESIDENCE. Rows include Lewis E. McLaughlin, Lois M. McLaughlin, Richard C. Boser, and Priscilla Boser.

That all of the above named persons are of sound mind.

That he has fully accounted and made full disclosure in writing, as required by Section 2203 SCPA to said interested person for all property of said deceased, coming to his possession or knowledge, and the release and waiver of a citation and accounting and a copy of account in writing is attached to this petition, showing full and satisfactory accounting, payment and discharge, executed by said interested persons is presented with this petition, and that the sureties on the official bond of your petitioners Richard C. Boser

have waived the issue and service on them of a citation herein as is shown by their waivers hereto annexed.

Wherefore, your petitioner pray for a decree releasing, exonerating and discharging him as such executor of and from any and all liability and accountability to said interested persons, and that all such process and proceedings may be had and taken thereon as the law may require, to the end that a decree may be made and entered accordingly.

Dated this \_\_\_\_\_ day of November, 1984

*Richard C Boser*

STATE OF NEW YORK }  
County of Cattaraugus } ss.

Richard C. Boser

being \_\_\_\_\_ duly sworn, says that he has \_\_\_\_\_ read the foregoing petition by \_\_\_\_\_ subscribed and know the contents thereof, and that the same is true to the knowledge of deponent, except as to matters therein stated to be alleged on information and belief, and that as to those matters he believes it to be true.

Subscribed and sworn to before me this 16<sup>th</sup> day of November, 1984

*Richard C Boser*

We \_\_\_\_\_

the sureties on the official bond of \_\_\_\_\_ as administrator of the estate of \_\_\_\_\_ late of the \_\_\_\_\_ of \_\_\_\_\_, New York, deceased, do hereby waive the issue and service on each of us of a citation to attend the judicial settlement of the accounts of said administrator, or any other proceeding taken by said administrator in the Surrogate's Court of Cattaraugus County, New York, for the purpose of securing \_\_\_\_\_ final release and discharge.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 1984

STATE OF NEW YORK }  
County of Cattaraugus } ss.

On this 16<sup>th</sup> day of November, 1984 before me personally came Richard C. Boser

to me known to be the person described in and who executed the foregoing instrument, and severally acknowledged the execution thereof.

*Lois Quant*

Notary Public

LOIS QUANT  
Notary Public - New York  
Cattaraugus County  
Commission Expires 3-30-1986

CATTARAUGUS COUNTY  
SURROGATE'S COURT

IN THE MATTER OF THE ESTATE  
OF

JOHN C. PARKS

Deceased.

PETITION FOR  
RELEASE AND DISCHARGE

Michael K. Cosmedine

Attorney \_\_\_\_\_ for Petitioner \_\_\_\_\_

309 Masonic Temple Bldg.

Olean, NY 14760

Filed: November 20th, 1984

*Therese E. Fuller*

Chief Clerk of Surrogate's Court

State of New York  
County of Cattaraugus,  
Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Petition - Discharge of Legal Representative verified the 16th day of November, 1984, in the Matter of the Estate of John C. Parks, Deceased,

with the original thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

At a Surrogate's Court, held  
in and for the County of  
Cattaraugus, at the Courthouse  
thereof at 265 N. Union Street  
Olean, New York on September 10,  
1984.

PRESENT: HON. EDWARD M. HOREY,  
JUDGE OF THE SURROGATE COURT

-----

In the Matter of Proving the Last Will and  
Testament of

DECREE  
File No. 23,050

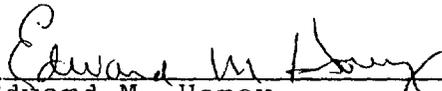
JOHN C. PARKS, Deceased.

-----

There having appeared before this Court, MICHAEL K. CONSEDINE, ESQ., attorney for the estate of John C. Parks, deceased, asking that final fees be fixed in the above estate and having read the petition of MICHAEL K. CONSEDINE, ESQ., duly verified, and notice of the same having been properly made on all interested parties in the estate herein as appears from the affidavit of service by mail of Lois Quant, and this Court being satisfied that the amount asked for by the petitioner is the fair and reasonable value of the work rendered in the above estate by the petitioner, it is

ORDERED that the aforementioned petitioner may draw for his fee Four Thousand Eight Hundred Dollars (\$4,800.00) for the work rendered to the estate.

ENTER

  
\_\_\_\_\_  
Edward M. Horey  
Judge of the Surrogate's Court

State of New York  
County of Cattaraugus,  
Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Decree dated the 10th day of September, 1984, in the Matter of the Estate of John C. Parks, Deceased,

with the original thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

At a Surrogate's Court held in and  
for the County of Cattaraugus, at  
the Courthouse thereof at 265 N.  
Union Street, Olean, New York on  
May 14, 1984.

PRESENT: Hon. Edward M. Horey  
Judge of the Surrogate's Court  
-----

In the Matter of Proving the Last Will and  
Testament of  
JOHN C. PARKS, Deceased.

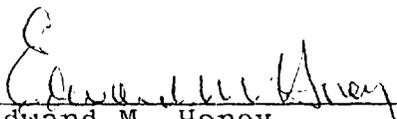
DECREE  
File No. 23,050

-----  
The above-entitled proceeding having been instituted by the  
petition of Michael K. Consedine, Esq., verified the 25th day of  
April, 1984, to fix and determine his compensation as an attorney  
for services rendered to the estate of the above-named decedent,  
and this court having directed that notice of said application be  
given to Michael K. Consedine, Esq., and an order requiring said  
Michael K. Consedine, Esq., to show cause before this court at  
the courthouse thereof at 9:30 in the forenoon, on the 14th day  
of May, 1984, why said application should not be granted, having  
been returned with due proof of service thereof upon all of the  
persons therein named, and the petitioner having appeared on the  
return day thereof, and the executor and distributees having  
appeared, and the proofs and allegations of the parties having  
been heard, and after hearing Michael K. Consedine, Esq., in  
support of said petition, it is

ORDERED, nunc pro tunc that the partial compensation of  
Michael K. Consedine, an attorney, for services rendered to the  
estate of John C. Parks, deceased, be and the same is hereby  
fixed and determined in the amount of One Thousand One Hundred  
Sixty Dollars (\$1,160.00), and it is further

ORDERED, nunc pro tunc that Richard C. Boser, as executor of  
the last will of John C. Parks, deceased, be and he hereby is  
directed to pay to said Michael K. Consedine, Esq., as partial  
compensation for his services aforesaid, the said balance due of  
One Thousand One Hundred Sixty Dollars (\$1,160.00) from the funds  
of the said estate.

ENTER November 27th, 1984

  
-----  
Edward M. Horey,  
Judge of the Surrogate's Court

State of New York  
County of Cattaraugus,  
Surrogate's Court

SS.

I, Florence J. Fuller, Chief Clerk of the said Surrogate's Court, do hereby certify that I have compared the foregoing copy of the Decree dated the 14th day of May, 1984, in the Matter of the Estate of John C. Parks, Deceased

with the original thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court at the Village of Little Valley, N. Y., this 25th day of August, in the year of our Lord one thousand nine hundred and ninety-two

(Seal)

*Florence J. Fuller*  
Chief Clerk of the Surrogate's Court.

**State of New York**  
**County of Cattaraugus,**      }      ss  
**Surrogate's Court.**      }

I, ..... Paul B. Kelly ....., Surrogate of the County of Cattaraugus and presiding magistrate of the Surrogate's Court, the same being a Court of Record, do hereby certify that ..... Florence J. Fuller ....., whose name is subscribed to the preceding exemplification is the ..... Chief ..... Clerk of said Surrogate's Court of the County of Cattaraugus, State of New York, and that full faith and credit are due to her official acts. I further certify that the seal affixed to the exemplification is the seal of our said Surrogate's Court, and that the attestation thereof is in due form, and according to the form of attestation used in this State.

Dated at Little Valley, New York, this 25th day of August, 19 92.

.....  
Surrogate.

STATE OF NEW YORK,      }  
County of Cattaraugus.      }      ss.

I, ..... Florence J. Fuller ..... Chief., Clerk of the Surrogate's Court of the County of Cattaraugus, do hereby certify that Hon. .... Paul B. Kelly .....  
....., whose name is subscribed to the preceding certificate, is the presiding magistrate of the Surrogate's Court of the County of Cattaraugus, duly elected, sworn and qualified, and that the signature of said Magistrate to said certificate is genuine.

IN WITNESS WHEREOF, I have hereunto set my

(Seal)

hand and affixed the seal of said Court this 25th  
day of August, 19 92.

.....  
Chief Clerk of the Surrogate's Court.



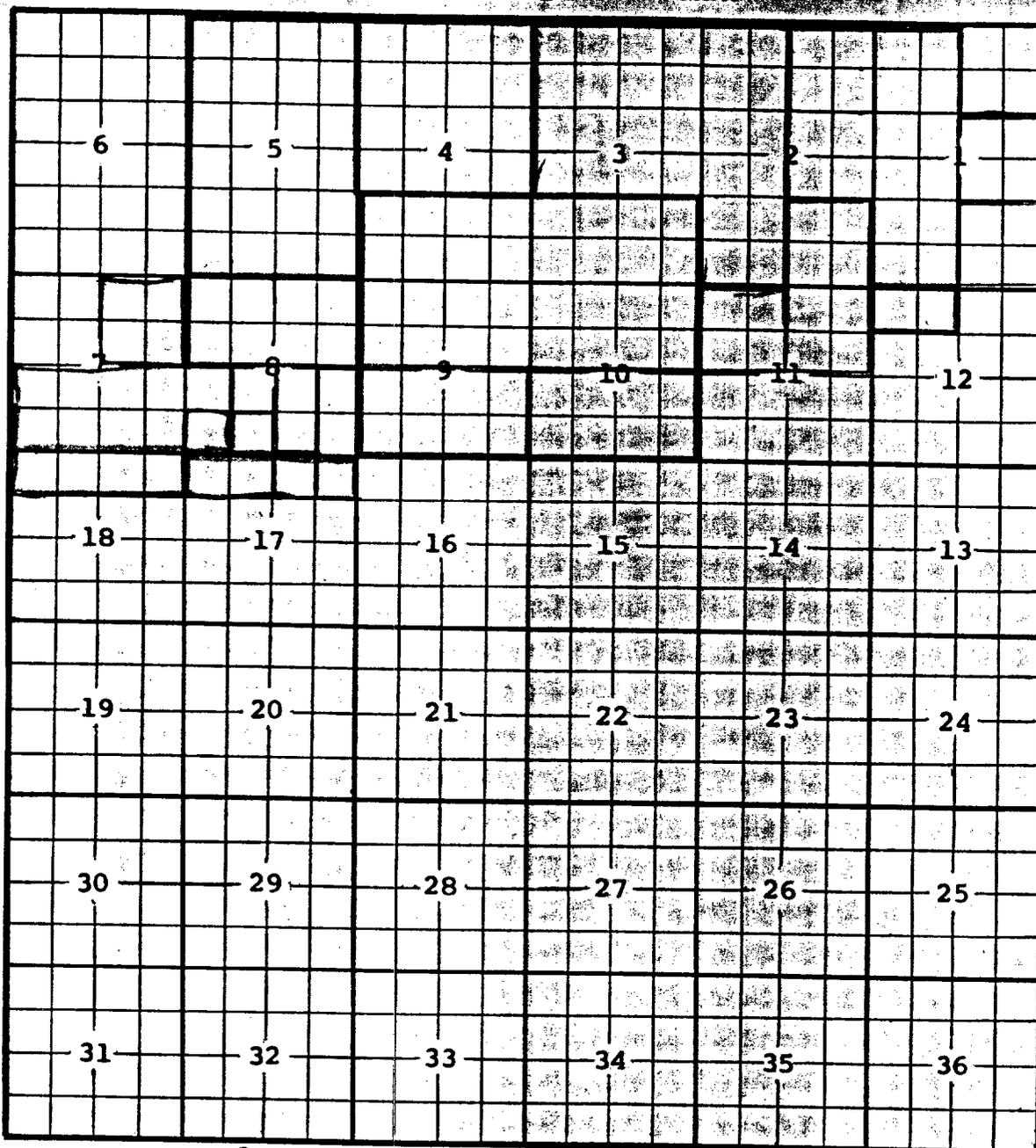
COUNTY Lea

POOL Townsend - Permian Upper Pennsylvanian

TOWNSHIP 16 South

RANGE 35 East

NMPM



Description:  $\frac{S}{2}$  Sec. 3;  $\frac{S}{2}$  Sec. 4;  $\frac{N}{2}$  Sec. 9;  $\frac{N}{2}$  Sec. 10 (R-770, 7-16-52)  
 Ext: All Sec 5 (R-512, 7-21-54) -  $\frac{W}{2}$  Sec. 8 (R-526, 10-4-54) -  $\frac{S}{2}$  Sec. 9;  $\frac{NW}{4}$  Sec. 11 (R-561, 11-16-54)  
 -  $\frac{S}{2}$  Sec. 10 (R-584, 2-16-55) -  $\frac{W}{2}$  Sec. 2; Lots 1 thru 16 Sec. 3 (R-623, 4-20-55)  
 -  $\frac{SE}{4}$  Sec. 2;  $\frac{NE}{4}$  Sec. 11 (R-667, 7-25-55) -  $\frac{E}{2}$   $\frac{SE}{4}$  Sec. 8;  $\frac{NE}{4}$   $\frac{NE}{4}$  Sec. 17 (R-713, 11-10-55)  
 -  $\frac{W}{2}$  Sec. 1; Lots 1, 2, 7, 8, 9, 10, 15, 16 Sec. 2 (R-745, 1-20-56) - Lots 1 thru 16 Sec. 4;  $\frac{W}{2}$   $\frac{SE}{4}$  Sec. 8 (R-787, 4-16-56)  
 -  $\frac{SE}{4}$  Sec. 1;  $\frac{SE}{4}$   $\frac{SW}{4}$  Sec. 8;  $\frac{N}{2}$   $\frac{NW}{4}$  Sec. 12;  $\frac{NW}{4}$   $\frac{NE}{4}$  Sec. 17 (R-877, 9-13-56) - Lots 9, 10, 15, 16 Sec. 1;  
 -  $\frac{NE}{4}$   $\frac{SW}{4}$  Sec. 8 (R-928, 12-13-56) Sec. 7  $\frac{NE}{4}$  +  $\frac{S}{2}$ ; Sec. 8 w/2 SW/4. Sec. 17 w/2 NW/4;  
 Sec. 18 N/2 w/2 and extend vertical limits to include Upper Pennsylvanian formation and redesignate as Townsend - Permian Upper Pennsylvanian Pool (A-7222, 2-25-83)

15 35  
~~North Morton Permo Pennsylvanian 40~~  
~~Morton Wolfcamp 80~~  
~~East Morton Wolfcamp 80~~  
~~Townsend-Permo Upper Pennsylvanian 40~~  
~~South Fork Upper Wolfcamp 40~~  
~~Southwest Austin Mississippian Gas 320~~  
~~Big Dog-Strawn 40~~  
~~Southwest Austin Wolfcamp 40~~

16-35

~~North Edison Morrow Gas 320~~  
~~Shoe Bar Atoka Gas 320~~  
~~Shoe Bar Devonian 40~~  
~~North Shoe Bar Devonian 40~~  
~~Shoe Bar Mississippian Gas 320~~  
~~Shoe Bar Pennsylvanian 40~~  
~~North Shoe Bar Strawn 40~~  
~~Northwest Shoe Bar Strawn 40~~  
~~Shoe Bar Wolfcamp 40~~  
~~North Shoe Bar Wolfcamp 160~~  
~~Townsend Abo 40~~  
~~Northwest Townsend Abo 40~~  
~~Townsend Devonian 40~~  
~~Townsend Mississippian Gas 160~~  
~~North Townsend Mississippian Gas 160~~  
~~Townsend Morrow Gas 320~~  
~~Townsend-Permo Upper Pennsylvanian 40~~  
~~Townsend Strawn 40~~  
~~Northeast Vacuum Wolfcamp 40~~  
~~Northeast Edison Mississippian 40~~

16-35

~~South Shoe Bar Devonian 80~~  
~~South Shoe Bar Upper Pennsylvanian 40~~  
~~South Shoe Bar Wolfcamp 40~~

16-36

~~Lovington Abo 40~~  
~~Lovington Paddock 40~~  
~~Lovington Pennsylvanian 40~~  
~~Northeast Lovington Pennsylvanian 80~~  
~~West Lovington Pennsylvanian 40~~  
~~Lovington Grayburg San Andres 40~~  
~~West Lovington Upper San Andres 40-acre~~  
~~Lovington Wolfcamp 40~~  
~~East Shoe Bar Devonian 80~~  
~~Shoe Bar Pennsylvanian 40~~  
~~North Shoe Bar Wolfcamp 160~~  
~~Townsend-Permo Upper Pennsylvanian 40~~  
~~East Shoe Bar Chester Gas 80~~  
~~Townsend-Permo Upper Pennsylvanian 40~~  
~~North Lovington Queen 40~~  
~~North Lovington Atoka Gas 320~~  
~~South Shoe Bar Upper Pennsylvanian 80~~  
~~Northeast Lovington Wolfcamp 40-acre~~  
~~South Shoe Bar Wolfcamp 40~~





STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

BEFORE EXAMINER STODNER	
OIL CONSERVATION DIVISION	
WELLS	WELL NO. 1
10498	10498
CASE NO. 10498	
Order No. R-9690	

APPLICATION OF CHARLES GILLESPIE  
FOR COMPULSORY POOLING AND A NON-  
STANDARD OIL SPACING AND PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 25, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 1st day of July, 1992, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Charles Gillespie, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, forming a non-standard 51.08-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon.
- (3) The applicant has the right to drill and proposes to drill its Speight Well No. 1 at a standard oil well location as described above.
- (4) The proposed non-standard oil proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.
- (5) There are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (6) To avoid the drilling of unnecessary wells, to protect correlative rights, to avoid waste, and to afford to the owner of each interest in said unit the opportunity to recover or receive

without unnecessary expense his just and fair share of the production in any pool completion resulting from this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) The applicant should be designated the operator of the subject well and unit.

(8) Any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(9) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(10) Any non-consenting working interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(11) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(12) \$5000.00 per month while drilling and \$500.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(13) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(14) Upon the failure of the operator of said pooled unit to commence the drilling of the well to which said unit is dedicated on or before October 1, 1992, the order pooling said unit should become null and void and of no effect whatsoever.

(15) Should all the parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(16) The operator of the well and unit shall notify the

Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, are hereby pooled forming a non-standard 51.08-acre oil spacing and proration unit, also hereby approved. Said unit shall be dedicated to the applicant's proposed Speight Well No. 1 to be drilled at a standard oil well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 1st day of October, 1992, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Strawn formation.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 1st day of October, 1992, Ordering Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division Director for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (1) of this order should not be rescinded.

(2) Charles Gillespie is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is objection to actual well costs within

said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated well costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$5000.00 per month while drilling and \$500.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in

escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

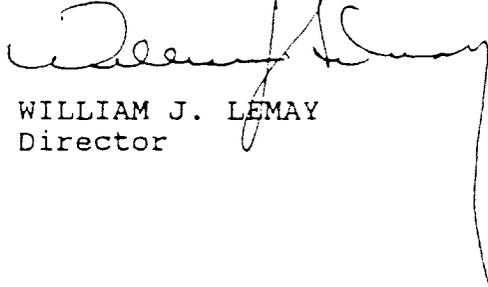
(13) Should all the parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(15) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

Gillespie Exhibits A and B  
Complete Set

CHARLES B. GILLESPIE, JR.

EXHIBIT 3

LOT 3, SECTION 1, T-16-S, R-35-E

LEA COUNTY, NEW MEXICO

11/19/92

BEFORE EXAMINER CHARLES B. GILLESPIE, JR.
OIL CONSERVATION DIVISION
Gillespie EXHIBIT NO. <u>A</u>
CASE NO. <u>10498</u>

Exh.  
3 in  
Original  
hearing

CRAIG HUBBARD, CPL  
P.O. Box 3282  
Midland, Texas 79702  
915-682-3282

ne 25, 1992  
Section 1, T-16-S, R-35-E,  
Lea County, New Mexico.

OWNER

INTEREST

LEASEHOLD

Lot 1 - 50.13 acres

Lost Mineral Owners

1.) Edward O'Neil - received 2/160 interest 3/24/41. No address on instrument. Conveyed 1/160 to Violet O'Neil Stadwick 5/8/56. This was the last time Mr. O'neil appeared in the County records. Address was stated as Detroit, Michigan.

3/7/91 - Called Wayne County (MI) Clerk's office (313/224-5721) and asked them to search Probate records for Mr. O'Neil. Search was negative.

4/11/91 - Searched Polk's directory for Detroit in the Midland County Library. Search was negative.

2.) Violet O'Neil Stadwick - received 1/160 interest 5/8/56. Address on instrument was Wayne County, Michigan. This was the last time Ms. Stadwick appeared in the County records.

3/7/91 - Called Wayne County (MI) Clerk's office and asked them to search the Probate records for Ms. Stadwick. Search was negative.

4/11/91 - Searched Polk's directory for Detroit in the Midland County Library. Search was negative.

3.) Henry H. Lawton - received 4/160 interest 3/24/41. Last appeared in County records on Oil and Gas lease 11/15/55. Lease was acknowledged in Cattaraugus County, NY.

3/7/91 - Called Cattaraugus County (NY) Clerk's office and asked them to search Probate for Mr. Lawton. Search was negative.

4/11/91 - Searched Polk's directory for Western New York State. Search was negative.

4.) Amanda K. Parks - received 1/160 interest 4/17/41. Last appeared in County records on Oil and Gas lease 11/15/55. Last known address was RFD 2, Olean, NY.

3/7/91 - Called Cattaraugus County (NY) Clerk's office and asked them to search Probate records for Ms. Parks. Search was negative.

4/11/91 - Searched Polk's directory for Western New York State. Search was negative.

For each of the above, I initially did the following:

Search the Probate records of Lea County, NM.

Search the alphabetical Miscellaneous card file in the Lovington Abstract Company records to determine the existence of a divorce, abstract of judgement, etc. for any of the above.

Checked telephone directory assistance in and around their last known addresses for telephone listings.

Each turned up nothing.

Unleased Mineral Owners.

Barbara M. Gallagher, Berkeley N. Moynihan, Francis J. Moynihan, Jr. - Each owns 1/3 x 1/160 interest. I have been in contact with Ms. Gallagher (she speaks for all three) since June

12, 1991. At that time, I sent each a lease, and they decided not to sign. On May 19, 1992 I made an offer to lease, Ms. Gallagher told me she would check with the others and let me know. On June 5, 1992 Ms. Gallagher told me that they would sign an oil and gas lease. I mailed each a lease. To date, only Ms. Gallagher has signed and returned her lease.

Geraldine Anderson Hill and Leonardo S. Anderson, Jr. - Each owns 1/160 interest. Ms. Hill told me she spoke for both interests, and I dealt solely with her. On 4/11/92, I contacted Ms. Hill at 213/833-8017 (the area code has since changed to 310) and offered her \$100 per acre, 1/6th royalty, five year primary term for an oil and gas lease covering her interest in Lots 3, 4, 5, and 6 of Section 1, 16-35. She said she would talk to her brother and let me know. I called back on 5/21/91. She told me she was not interested in leasing. We talked at some length and she told me she was, "against the oil drilling because of what it does to the environment". I asked her if it was a matter of more bonus, or more royalty, and she replied that she did not want to lease regardless of terms. I then explained at length the process in New Mexico of forced pooling. When I finished, I asked Ms. Hill if she wished for her interest to be force pooled, and she replied, "Yes.". On 6/12/92 I again phoned Ms. Hill and asked if she would lease. She said she would talk to her attorney and her brother and decide. I mailed her a lease on 6/16/92 at \$100 per acre, 3/16ths royalty, five year primary term. I called Ms. Hill on 6/22/92 and she told me that she had received the leases, but that they did not want to sign. "We just felt that we wanted to go this way.". She did not make any sort of counter offer.

#### Uncommitted Lessees

Bridge Oil Company - Bridge has committed to an assignment of 79.75% NRI in their 1/160 interest lease for good and valuable consideration.

Rio Pecos Corporation - This 1/160 leasehold interest is split between five individuals, and I have been told that they all wish to participate in the well. None of the five have, at this time, signed an AFE or JOA.

Edward O'Neil

Detroit, Michigan <sup>5721</sup>  
~~5708~~  
Wayne Co. Clerk 313-224-~~3270~~

3/7

the Polks - Edward O'Neil  
Factoryworker  
Terustedt  
17100 Julian

5/22 Box 843 Big Bear Lake, Ca. 7  
Dep. bank: City National Bank of Detroit <sup>First of America</sup>  
20055 Ann Arbor Trail 313-271-4140  
Dearborn Hts, Mi.

5/23 No listing in Big Bear Lake.  
Bank shows neither has account at present time.

Violet O'Ne. Stadwick (Marvin?)

Wayne County, Michigan

313 - 544-1076

Telegraph Rd. ?

3/7

5/22 No answer from Marvin's listing.

Big Bear Lake, Ca. ? 714 - No listing

Henry H. Lawton

716 - No listing (clean or Jamestown)

3/7

Cattaraugus Co. Clerk  
Little Valley

716-538-9111

4/11

Polks -

Amanda K. Polks

110

1.1375

REA No. 2

Olean, NY

716 - 822 9178 ✓

223 7852 ✓

837 4417 ✓

~~342 6642~~

3/7 Cattaraugus Co. Clerk  
Little Valley

716 - 938-9111

4/11 Polks -

General Purpose Worksheet



Subject	Page No.	Of
File	By	Date

Edward S. Moynihan died 2 mths ago. (never married)

his ~~list~~ list - Mary Burns

Francis was Brother - died July, 1966

Loretta 1/4

Interest went to wife Loretta, dec'd.

~~Francis M. Rescator~~

- Francis J. Moynihan, Jr. <sup>710 569-2587</sup> <sup>104-22-4601</sup> 135 Old Warren Rd. RD-2 Frewsburg, N.Y. <sup>14731</sup>
- Berkeley N. Moynihan <sup>1220 NE 3<sup>rd</sup> St. Apt. 403 Ft Lauderdale 33301</sup>
- Barbara M. Gallagher <sup>44 William Street Lincoln Park NJ 07035</sup>

wants  $\frac{3}{16}$  <sup>ths</sup>

201-694-1672

$$\frac{1}{160} \div 3 = .00208333 \times 182 = .3791666$$

x	100	=	37.92
x	4	=	1.51
			39.43

069-24-6049

11/2/51 - Leases (3) mailed.  
 5/16/52 - <sup>(Barbara)</sup> she said the bank charged \$40. so they decided no.  
 she will call bank & decide to lease at 100 or sell at 250.

over

5/17 - Barbara Gallagher - had questions about selling minerals.  
Wanted to know about amounts. She will call & let me know

6/23 - Barbara is sending express mail.

**CRAIG HUBBARD, CPL**

P.O. BOX 3282  
MIDLAND, TEXAS 79702  
(915) 682-3282

June 12, 1991

To: Francis J. Moynihan, Jr.  
135 Old Warren Road, RD 2  
Frewsburg, NY 14738

Re: Lots 3, 4, 5, and 6, Section 1, 16-35, Lea Co., NM.  
Containing 182 acres, more or less.

Dear Mr. Moynihan,

Enclosed you will find an oil and gas lease covering your interest (.3791666 net mineral acres) in the above captioned lands, at the terms we discussed, which are as follows:

- \$100.00 per net mineral acre bonus payment
- five year primary term
- three-sixteenths royalty
- \$1.00 per acre per year delay rentals, paid-up.

If everything is agreeable, please sign the lease in the presence of a notary, endorse the draft, and deposit the lease with the draft into your bank for collection.

COURTESY OF  
**NCNB Texas**  
P.O. BOX 1599 • MIDLAND, TEXAS 79702

PLACE \_\_\_\_\_ DATE June 12, 19 91 NO. 163501.026

30 DAYS AFTER sight AND SUBJECT TO APPROVAL OF TITLE

**PAY TO THE ORDER OF** Francis J. Moynihan, Jr.

\_\_\_\_\_ \$ 39.43

Thirty Nine and 43/100 WITHOUT EXCHANGE **DOLLARS**

**FOR** OGI of even date covering subject lands in Lea County, NM

**To** Charles B. Gillespie, Jr., POB 8 Midland, Tx. 79702 **NOT A CASH ITEM**

Craig Hubbard 915-682-3282

RM-117

PLACE \_\_\_\_\_ DATE June 12, 19 91 NO. 163501.025

30 DAYS AFTER sight AND SUBJECT TO APPROVAL OF TITLE

**PAY TO THE ORDER OF** Berkeley N. Moynihan

\_\_\_\_\_ \$ 39.43

Thirty Nine and 43/100 WITHOUT EXCHANGE **DOLLARS**

**FOR** OGI of even date covering subject lands in Lea Co., NM

**To** Charles B. Gillespie, Jr. POB 8, Midland, Tx. 79702 **NOT A CASH ITEM**

Craig Hubbard 915-682-3282

**CRAIG HUBBARD, CPL**

P.O. BOX 3282  
MIDLAND, TEXAS 79702  
(915) 682-3282

June 12, 1991

To: Barbara M. Gallagher  
44 William Street  
Lincoln Park, NJ 07035

Re: Lots 3, 4, 5, and 6, Section 1, 16-35, Lea Co., NM.  
Containing 182 acres, more or less.

Dear Ms. Gallagher,

Enclosed you will find an oil and gas lease covering your interest (.3791666 net mineral acres) in the above captioned lands, at the terms we discussed, which are as follows:

- \$100.00 per net mineral acre bonus payment
- five year primary term
- three-sixteenths royalty
- \$1.00 per acre per year delay rentals, paid-up.

If everything is agreeable, please sign the lease in the presence of a notary, endorse the draft, and deposit the lease with the draft into your bank for collection.

Thank you for your cooperation in this matter, and should you have any questions, feel free to contact me at the number or address above.

Sincerely yours,

Craig Hubbard

CEH/cg

\_\_\_\_\_ June 12, 19 91 NO. 163501.027

PLACE DATE

30 DAYS AFTER sight AND SUBJECT TO APPROVAL OF TITLE

PAY TO THE ORDER OF Barbara M. Gallagher

\_\_\_\_\_ \$ 39.43

Thirty Nine and 43/100 \_\_\_\_\_ DOLLARS

WITHOUT EXCHANGE

FOR OGI of even date covering subject lands in Lea County, NM

To Charles B. Gillespie, Jr., POB 8, Midland, Tx. 79702 NOT A CASH ITEM

Craig Hubbard 915-682-3282

COLLECTION DRAFT  
COURTESY OF

**NCNB Texas**  
P.O. BOX 1599 • MIDLAND, TEXAS 79702

**CRAIG HUBBARD, CPL**

P.O. BOX 3282  
MIDLAND, TEXAS 79702  
(915) 682-3282

June 12, 1992

To: Berkeley N. Moynihan  
1220 NE 3rd Street, Apt. 403  
Fort Lauderdale, FL 33301

Re: Lots 3, 4, 5, and 6, Section 1, 16-35, Lea Co., NM.  
Containing 182 acres, more or less.

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three-sixteenths royalty  
\$1.00 per acre per year delay rentals, paid-up.

If everything is agreeable, please sign the lease in the presence of a notary, and return the lease to me at the letterhead address. You may deposit the check into your account.

Thank you for your cooperation in this matter, and should you have any questions, feel free to contact me at the number or address above.

Sincerely yours,

Craig Hubbard

CEH/cg

**CRAIG HUBBARD, CPL**

P.O. BOX 3282  
MIDLAND, TEXAS 79702  
(915) 682-3282

June 12, 1992

To: Francis J. Moynihan, Jr.  
135 Old Warren Road, RD 2  
Frewsburg, NY 14738

Re: Lots 3, 4, 5, and 6, Section 1, 16-35, Lea Co., NM.  
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Sincerely yours,

Craig Hubbard

CEH/cg

**CRAIG HUBBARD, CPL**

P.O. BOX 3282  
MIDLAND, TEXAS 79702  
(915) 682-3282

June 12, 1992

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44 William Street  
Lincoln Park, NJ 07035

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If everything is agreeable, please sign the lease in the presence of a notary, and return the lease to me at the letterhead address. You may deposit the check into your account.

Thank you for your cooperation in this matter, and should you have any questions, feel free to contact me at the number or address above.

Sincerely yours,

Craig Hubbard

CEH/cg

**OIL & GAS LEASE**

THIS AGREEMENT made this 12th day of June 1992, between \_\_\_\_\_  
Barbara M. Gallagher  
44 William Street  
Lincoln Park, NJ 07035 of \_\_\_\_\_  
 \_\_\_\_\_ (Post Office Address)

herein called lessor (whether one or more) and Charles B. Gillespie, Jr., POB 8, Midland, Tx. 79702, lessee:  
 1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in \_\_\_\_\_ Lea County, New Mexico, to-wit:

Township 16 South, Range 35 East, N.M.P.M.  
Section 1: Lots 3, 4, 5, and 6

Said land is estimated to comprise 182 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 3/16ths of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 3/16ths of the gas used,

provided that on gas sold on or off the premises, the royalties shall be 3/16ths of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term, however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

\_\_\_\_\_  
 Barbara M. Gallagher SS#

**OIL & GAS LEASE**

THIS AGREEMENT made this 12th day of June 1992, between \_\_\_\_\_

Francis J. Moynihan, Jr.

135 Old Warren Road, RD 2

Frewsburg, NY 14738

of \_\_\_\_\_  
(Post Office Address)

herein called lessor (whether one or more) and Charles B. Gillespie, Jr., POB 8, Midland, Tx. 79702, lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save,

take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

Township 16 South, Range 35 East, N.M.P.M.  
Section 1: Lots 3, 4, 5, and 6

Said land is estimated to comprise 182 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 3/16ths of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced

from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 3/16ths of the gas used,

provided that on gas sold on or off the premises, the royalties shall be 3/16ths of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purities, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term, however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease, included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

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8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

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10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

Francis J. Moynihan, Jr.

SS#

**OIL & GAS LEASE**

THIS AGREEMENT made this 12th day of June 1992, between \_\_\_\_\_

Berkeley N. Moynihan

1220 NE 3rd Street, Apt. 403

Fort Lauderdale, FL 33301

of \_\_\_\_\_ (Post Office Address)

herein called lessor (whether one or more) and Charles B. Gillespie, Jr., POB 8, Midland, Tx. 79702 lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save,

take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

Township 16 South, Range 35 East, N.M.P.M.  
Section 1: Lots 3, 4, 5, and 6

Said land is estimated to comprise 182 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 3/16ths of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 3/16ths of the gas used,

provided that on gas sold on or off the premises, the royalties shall be 3/16ths of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term, however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land and under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter, if any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

Berkeley N. Moynihan SS#

Jane Bowers Stoneman

~~602~~ - 602 - 264-1688

4/11 from ~~Margaret~~ <sup>Margaret</sup> L. Anderson (aunt)  
May be only heir.  
Call her when she gets back.

Jane <sup>Stoneman</sup> and Laura Anderson got interest  
Laura is deceased. (2 Kids)

Jane 1/2  
Geraldine Anderson Hill 1/4 303 57 Palos Verdes  
Leonardo S. Anderson, Jr. 1/4 Dr. East  
Rancho Palos Verdes, Ca  
90274  
~~310~~ - 833-8017

Offered 100, 5 yrs., 1/6  
She will talk to her brother and let me know.

5/21 Ms. Hill said she would sign regardless of terms,  
and when I asked if she wished to be joined in pooled  
(I had explained it), she said "yes".

6/22 Received lease. Don't want to lease.

"We just felt that we wanted to go this way."

No counter offer.

**CRAIG HUBBARD, CPL**

P.O. BOX 3282  
MIDLAND, TEXAS 79702  
(915) 682-3282

June 16, 1992

To: Geraldine Anderson Hill  
Leonardo S. Anderson, Jr.  
30357 Palos Verdes Drive East  
Rancho Palos Verdes, CA 90274

Re: Lots 3, 4, 5, and 6, Section 1, 16-35, Lea Co., NM.  
Containing 182 acres, more or less.

Dear Mr. Anderson and Ms. Hill,

Given the urgent nature of our proposal, and the sometimes intermittent mood of our postal service, I have taken the liberty of sending you a lease form if that is indeed the road you choose. Enclosed you will find an oil and gas lease covering your interest (1.1375 net mineral acres, each) in the above captioned lands, at the terms we discussed, which are as follows:

\$100.00 per net mineral acre bonus payment  
five year primary term  
three-sixteenths royalty  
\$1.00 per acre per year delay rentals, paid-up.

If everything is agreeable, please sign the lease in the presence of a notary, endorse the draft, and deposit the lease with the draft into the collection department at your financial institution.

Thank you for your cooperation in this matter, and should you have any questions, feel free to contact me at the number or address above.

Sincerely yours,

Craig Hubbard

**OIL & GAS LEASE**

THIS AGREEMENT made this 12th day of June 1992, between \_\_\_\_\_

Geraldine Anderson Hill

30357 Palos Verdes Drive East

Rancho Palos Verdes, CA 90274

of \_\_\_\_\_  
(Post Office Address)

herein called lessor (whether one or more) and Charles B. Gillespie, Jr., POB 8, Midland, Tx. 79702, lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

Township 16 South, Range 35 East, N.M.P.M.  
Section 1: Lots 3, 4, 5, and 6

Said land is estimated to comprise 182 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 3/16ths of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 3/16ths of the gas used,

provided that on gas sold on or off the premises, the royalties shall be 3/16ths of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties, which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term, however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the lands are situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of or rights to receive royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

\_\_\_\_\_  
Geraldine Anderson Hill SS#

**OIL & GAS LEASE**

THIS AGREEMENT made this 12th day of June, 1992, between \_\_\_\_\_

Leonardo S. Anderson, Jr.

30357 Palos Verdes Drive East

Rancho Palos Verdes, CA 90274

of \_\_\_\_\_  
(Post Office Address)

herein called lessor (whether one or more) and Charles B. Gillespie, Jr., POB 8, Midland, Tx. 79702, lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

Township 16 South, Range 35 East, N.M.P.M.  
Section 1: Lots 3, 4, 5, and 6

Said land is estimated to comprise 182 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 3/16ths of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 3/16ths of the gas used,

provided that on gas sold on or off the premises, the royalties shall be 3/16ths of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term, however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

\_\_\_\_\_  
Leonardo S. Anderson, Jr. SS#

Bridge Oil Co. L.P.  
12404 Park Central Drive #400  
Dallas 75251

4/160  
2/17/88, 5 yrs.  
3/16

5/15 Karen LaFleur 214/788-5918

she will be in on Monday

Rick no. longer with the company.

Yates just bought offset tract at state sale for 10/acre, 5 yr.

Lot 8 in Section 2.

send proposal. Offer to buy.

Crow says offer 125/acre. for the lease.

5/18... Proposal mailed

the said they would assign for \$500.

**CRAIG HUBBARD, CPL**

P.O. BOX 3282  
MIDLAND, TEXAS 79702  
(915) 682-3282

May 18, 1992

To: Bridge Oil Company  
12404 Park Central Drive #400  
Dallas, TX 75251

Re: Lots 3, 4, 5, 6, Section 1, T-16-S, R-35-E, Lea County, NM  
182 acres

Dear Karen,

I am interested in obtaining from Bridge an assignment of your Jane Bowers Stoneman lease covering the captioned acreage. The lease has approximately nine months until expiration, and carries a royalty burden of 3/16ths. At this time I am prepared to offer \$125.00 per net acre for the lease.

As I mentioned to you, at the most recent New Mexico State sale, Yates was the successful bidder on the direct offset tract in Section 2 with a bid of \$10.00 per acre for a new 5 year lease.

Please evaluate my proposal at your earliest convenience. Should you have any questions, please call me at the number above.

Very Truly Yours,

---

Craig Hubbard

ceh/cg

CRAIG HUBBARD  
 COMMERCIAL SERVICE  
 ACCOUNT ID: 122132730

PAGE: 4

INVOICE DATE: 6/07/91  
 INVOICE NUMBER: 19061000120745

ITEMIZATION OF CALLS

BILLED TO NUMBER: 915 682-3282  
 SERVICE LOCATION: MIDLAND, TX

NBR	DATE	TIME	*	CALLED LOCATION	STATE	CALLER NUMBER	MINUTES	CHARGES
1	5/21/91	1:33 PM	D	ATLANTA	GA	404 261-3636	4	.95
2	5/21/91	2:09 PM	D	SAN PEDRO	CA	213 833-8017	9	2.15
3	5/21/91	2:23 PM	D	OLYMPIA	WA	206 956-7047	2	.47
4	5/21/91	2:55 PM	D	TOPEKA	KS	913 233-4545	1	.22
5	5/21/91	4:15 PM	D	FLETCHER	OK	405 549-6421	2	.45
6	5/21/91	4:18 PM	D	TOPEKA	KS	913 233-4545	2	.45
7	5/21/91	4:28 PM	D	EULESS	TX	817 540-3880	12	4.00
8	5/21/91	4:41 PM	D	OLYMPIA	WA	206 956-7047	7	1.67
9	5/22/91	1:14 PM	D	HOUSTON	TX	713 247-7577	2	.67
10	5/23/91	8:10 AM	D	HOUSTON	TX	713 247-7577	1	.33
11	5/23/91	11:04 AM	D	DIR ASST	CA	714 555-1212	1	.60
12	5/23/91	11:05 AM	D	DIR ASST	MI	313 555-1212	1	.60
13	5/23/91	11:06 AM	D	DETROIT	MI	313 271-4140	3	.71
14	5/23/91	11:10 AM	D	DIR ASST	MI	313 555-1212	1	.60
15	5/23/91	11:13 AM	D	DIR ASST	NY	716 555-1212	1	.60
16	5/23/91	11:16 AM	D	DIR ASST	NY	716 555-1212	1	.60
17	5/24/91	8:45 AM	D	ADDISON	TX	214 788-3337	1	.33
18	5/24/91	9:50 AM	D	DALLAS	TX	214 526-6500	1	.33
19	5/24/91	10:35 AM	D	HOUSTON	TX	713 247-7577	19	6.33
20	5/24/91	11:12 AM	D	ADDISON	TX	214 788-3337	6	2.00
21	5/24/91	2:26 PM	D	EULESS	TX	817 540-3880	1	.33
22	5/24/91	2:50 PM	D	DE RIDDER	LA	318 462-2803	4	.91
23	5/28/91	9:57 AM	D	JOHNSON CY	TX	512 868-4888	3	1.00
24	5/28/91	11:20 AM	D	JOHNSON CY	TX	512 868-4888	3	1.00
25	5/29/91	1:36 PM	D	HOUSTON	TX	713 236-5917	1	.33
26	5/30/91	9:18 AM	D	FORT WORTH	TX	817 535-3251	1	.33
27	5/30/91	10:17 AM	D	ABILENE	TX	915 698-0140	5	1.67
28	5/30/91	10:48 AM	D	OZONA	TX	915 392-2232	7	2.18
29	5/30/91	1:03 PM	D	FORT WORTH	TX	817 535-3251	5	1.67
30	5/30/91	2:56 PM	D	SALINA	KS	913 827-4025	8	1.83
31	5/30/91	3:10 PM	D	WICHITA	KS	316 838-9240	2	.45
32	5/31/91	2:29 PM	D	HOUSTON	TX	713 236-5917	1	.33
33	5/31/91	2:35 PM	D	DIR ASST	KS	913 555-1212	1	.60
34	5/31/91	2:36 PM	D	TOPEKA	KS	913 295-3400	5	1.14
35	5/31/91	3:08 PM	D	OKLA CITY	OK	405 946-4991	5	1.14
36	5/31/91	3:50 PM	D	DIR ASST	NM	505 555-1212	1	.60
37	5/31/91	3:51 PM	D	CARLSBAD	NM	505 885-3383	4	.83

TOTAL FOR 915 682-3282 469 \$136.29

TOTAL FOR YOUR ACCOUNT 469 \$136.29

BEFORE EXAMINATION STATION  
 OIL CONSERVATION DIVISION  
 Gillegrie SHIPPING NO. 13  
 CASE NO. 10498

\* THE RATE IN EFFECT AT THE BEGINNING OF THE CALL  
 D = DAY E = EVENING N = NIGHT

IF YOU HAVE ANY QUESTIONS ABOUT YOUR INVOICE, PLEASE CALL CUSTOMER SERVICE AT 1-800-877-4020.

