



- Reported Fed Lands
- Open Lands
- Reported State Lands
- Fee Lands

MASTER PLAT

	5	5	4	3	2	1
	7	8	9	10	11	12
	18	17	16	15	14	13
	19	20	21	22	23	24
	30	29	28	27	26	25
	31	32	33	34	35	36

Notes:

Last Updated 1/17/2023

NM 93230

T. 24 South — R. 36 East  
Section 22: NW,NWSW



**LESSEE:**

Steve Sell  
511 W. Ohio #601  
Midland, TX 79701

**OPERATING RIGHTS:**

From the surface to the  
base of the Grayburg formation:

Cress Green Energy Resources, LLC 997 County Road 203 Seminole, TX 79360	100%
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Below the base of the  
Grayburg formation:

Lessee	100%
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**OVERRIDING ROYALTY:**

From the surface to the base of the  
Grayburg formation:

SDX Properties Inc. P.O. Box 5061 Midland, TX 79704	1.16875%
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Melrose Resources, Inc. P.O. Box 5334 Midland, TX 79704	.95625%
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The following assignments of overriding royalty are filed of record, however, the assignors appear to be strangers to the title:

Assignment dated 10/3/94 from Mayhill Oil Corp. to Ramsey Royalties Inc. 1% from the surface to the base of the Grayburg formation.

Assignment dated 12/18/95 from Ramsey Royalties Inc., Tay-Mor Enterprises, Inc. and Mayhill Oil Corp. to Melrose Resources Inc. 2.58542%, Steve Sell .41667% and John Pool .20833% as to all lands from the surface to the base of the Grayburg formation.

16 2/3% Royalty to U.S.A

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

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NMNM105319550

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<b>Authority</b>	<b>Total Acres</b>	<b>Serial Number</b>
01-12-1983; 096STAT2447; 30USC188; FED O&G ROYALTY MGT ACT-1982, TITLE IV.	200.0000	NMNM105319550
	<b>Case File Jurisdiction</b>	<b>Legacy Serial No</b>
		NMNM 093230
<b>Product Type</b> 312021 COMPETITIVE PUBLIC DOMAIN LEASE POST 1987		
<b>Commodity</b> Oil & Gas		<b>Lease Issued Date</b>
<b>Case Disposition</b> AUTHORIZED		05/17/1994

**CASE DETAILS**

NMNM105319550

Case Name	C-7959251	Split Estate	Fed Min Interest
Effective Date	06/01/1994	Split Estate Acres	Future Min Interest
Expiration Date		Royalty Rate	12 1/2%
Land Type	Public Domain	Royalty Rate Other	Acquired Royalty Interest
Formation Name		Approval Date	Held in a Producing Unit
Parcel Number	9404081	Sale Date	04/20/1994
Parcel Status		Sales Status	Production Status
Participating Area		Total Bonus Amount	36,000.00
Related Agreement		Tract Number	Lease Suspended
Application Type		Fund Code	145003

**CASE CUSTOMERS**

NMNM105319550

Name & Mailing Address	Interest Relationship	Percent Interest
CRESS GREEN ENERGY RESOURCES LLC MELROSE RESOURCES XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX	997 COUNTY ROAD 203 SEMIOLE TX 79360-7049	OPERATING RIGHTS 0.000000
XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX	6230 N WESTERN #200 OKLAHOMA CITY OK 73118 XXXXXXXXXX XX XXXXX-XXXX XXXXXXXXXX XX XXXXX-XXXX XXXXXXXXXX XX XXXXX-XXXX XXXXXXXXXX XX XXXXX-XXXX XXXXXXXXXX XX XXXXX-XXXX XXXXXXXXXX XX XXXXX-XXXX XXXXXXXXXX XX XXXXX-XXXX	OPERATING RIGHTS 0.000000 OPERATING RIGHTS 0.000000 OPERATING RIGHTS 0.000000 LESSEE 100.000000 OPERATING RIGHTS 0.000000 OPERATING RIGHTS 0.000000

**RECORD TITLE**

(No Records Found)

**OPERATING RIGHTS**

(No Records Found)

**LAND RECORDS**

NMNM105319550

Mer	Twp	Rng	Sec	Survey Type	Survey Number	Subdivision	District / Field Office	County	Mgmt Agency
23	0240S	0360E	022	Aliquot		NW,NWSW	PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

**CASE ACTIONS**

Action Date	Date Filed	Action Name	Action Status	Action Information
04/19/1994	04/19/1994	CASE ESTABLISHED	APPROVED/ACCEPTED	Action Remarks: 9404081;
04/20/1994	04/20/1994	BID RECEIVED	APPROVED/ACCEPTED	Action Remarks: \$36000.00;
04/20/1994	04/20/1994	MONIES RECEIVED	APPROVED/ACCEPTED	Action Remarks: \$400.00;
04/20/1994	04/20/1994	SALE HELD	APPROVED/ACCEPTED	
05/02/1994	05/02/1994	MONIES RECEIVED	APPROVED/ACCEPTED	Action Remarks: \$35600.00;
05/17/1994	05/17/1994	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: RAYO/MV
05/17/1994	05/17/1994	LEASE ISSUED	APPROVED/ACCEPTED	
05/27/1994	05/27/1994	RECORDS NOTED	APPROVED/ACCEPTED	
06/01/1994	06/01/1994	EFFECTIVE DATE	APPROVED/ACCEPTED	
06/01/1994	06/01/1994	FUND CODE	APPROVED/ACCEPTED	Action Remarks: 05;145003
06/10/1994	06/10/1994	RLTY RATE - 12 1/2%	APPROVED/ACCEPTED	
06/16/1994	06/16/1994	CASE MICROFILMED/SCANNED	APPROVED/ACCEPTED	Action Remarks: LFP
06/23/1994	06/23/1994	RENTAL RECEIVED	APPROVED/ACCEPTED	Action Remarks: \$300.00;11/MULTIPLE
12/19/1994	12/19/1994	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: (3)
12/19/1994	12/19/1994	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: (2)
12/19/1994	12/19/1994	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: (1)

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
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Action Date	Date Filed	Action Name	Action Status	Action Information	NMNM105319550
12/19/1994	12/19/1994	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: SELL S/POOL J	
03/31/1995	03/31/1995	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
03/31/1995	03/31/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 1/1/95;	
06/01/1995	06/01/1995	RLTY RATE - 16 2/3%	APPROVED/ACCEPTED	Action Remarks: /A/	
06/29/1995	06/29/1995	REINSTATEMENT	APPROVED/ACCEPTED	Action Remarks: CLASS II	
06/29/1995	06/29/1995	TERMINATION NOTICE ISSUED	APPROVED/ACCEPTED	Action Remarks: CLASS II;	
07/03/1995	07/03/1995	RENTAL RECEIVED BY ONRR	APPROVED/ACCEPTED	Action Remarks: \$300.00;23/0000000080	
07/21/1995	07/21/1995	LEASE MODIFIED-AMENDED	APPROVED/ACCEPTED		
08/04/1995	08/04/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: (1)SELL/MELROSE RES	
08/04/1995	08/04/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: (2)SELL/MELROSE RES	
08/11/1995	08/11/1995	PUBLISHED	APPROVED/ACCEPTED	Action Remarks: 60FR41098;	
09/12/1995	09/12/1995	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GSB	
09/12/1995	09/12/1995	REFUND AUTHORIZED	APPROVED/ACCEPTED	Action Remarks: \$300.00;	
09/12/1995	09/12/1995	REINSTATEMENT APPROVED	APPROVED/ACCEPTED	Action Remarks: CLASS II EFF 6/1/95;	
09/12/1995	09/12/1995	RENTAL RATE DET/ADJ	APPROVED/ACCEPTED	Action Remarks: \$10.00;	
09/22/1995	09/22/1995	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JLV	
09/22/1995	09/22/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: (2)EFF 09/01/95;	
09/22/1995	09/22/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: (1)EFF 09/01/95;	
09/25/1995	09/25/1995	RENTAL RECEIVED BY ONRR	APPROVED/ACCEPTED	Action Remarks: \$2000.00;11	
03/13/1996	03/13/1996	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: (1)	
03/13/1996	03/13/1996	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: (2)	
05/31/1996	05/31/1996	RENTAL RECEIVED BY ONRR	APPROVED/ACCEPTED	Action Remarks: \$1700.00;21/000000010	
05/31/1996	05/31/1996	RENTAL RECEIVED BY ONRR	APPROVED/ACCEPTED	Action Remarks: \$1020.00;23/000000010	
01/16/1997	01/16/1997	APD FILED	APPROVED/ACCEPTED		
02/20/1997	02/20/1997	APD APPROVED	APPROVED/ACCEPTED	Action Remarks: #4 MEYERS FED C	
05/30/1997	05/30/1997	RENTAL RECEIVED BY ONRR	APPROVED/ACCEPTED	Action Remarks: \$2000.00;24/000000013	
08/27/1997	08/27/1997	HELD BY PROD - ACTUAL	APPROVED/ACCEPTED	Action Remarks: /1/	
09/24/1997	09/24/1997	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: SELL/COREY	
10/14/1997	10/14/1997	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LR	
10/14/1997	10/14/1997	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 10/01/97;	
02/27/1998	02/27/1998	PRODUCTION DETERMINATION	APPROVED/ACCEPTED	Action Remarks: /1/	
02/27/1998	02/27/1998	PRODUCTION DETERMINATION	APPROVED/ACCEPTED	Action Remarks: /1/#4 MEYERS C FED;	
11/12/1999	11/12/1999	OVERRIDING ROYALTY	APPROVED/ACCEPTED		
11/12/1999	11/12/1999	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: MELROSE/POOL & COREY	
12/28/1999	12/28/1999	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JLV	
12/28/1999	12/28/1999	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/01/99;	
12/19/2002	12/19/2002	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: SELL S/FORREST ROBERT Receipt Number: 610562	
01/30/2003	01/30/2003	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
01/30/2003	01/30/2003	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 01/01/2003	
03/05/2003	03/05/2003	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
12/30/2003	12/30/2003	RLTY REDUCTION APPV	APPROVED/ACCEPTED	Action Remarks: /1/	
02/01/2006	02/01/2006	RLTY REDUCTION LIFTED	APPROVED/ACCEPTED		
01/04/2016	01/04/2016	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: FORREST R/CRESS GRE;1 Receipt Number: 3467253	
02/10/2016	02/10/2016	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO	
02/10/2016	02/10/2016	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/16;	

**LEGACY CASE REMARKS**

NMNM105319550

Legacy Case Remarks includes remarks made for the case in LR2000 up until March 14, 2022. These Case Remarks will no longer be updated in MLRS. This section of the SRP is obsolete. Please reference the MLRS website for more information and refer to the Case Actions section - Action Information on this report for similar data.

Line Number	Remark Text
0002	/A/AC RLTY RATE 12/5% EFF 6/1/94 THRU 5/31/95
0004	12/28/1999 - SDX RESOURCES INC NM2307 SW/NM
0006	01/30/2003 - FOBERT H FORREST JR - NM2799 - S/W
0007	2/10/16 CRESS GREEN ENE RES LLC NMB001323 SW/NM \$25K

Doc #	Type	Rec Date	Doc Date	Eff Date	Appr Date	Grantor	Grantee	Legal Description	Notes
1	Oil and Gas Lease	5/17/1994	6/1/1994	5/17/1994	5/17/1994	United States	Steve Sell	24S-36E-22: NW, NWSW	Competitive 10yr lease
2	Transfer of Operating Rights	10/1/1994	10/1/1994	12/19/1994	n/a	Steve Sell Lisa Sell	Mayhill Oil Corporation Tay-Mor Enterprises Inc CCW Resources, Inc	24S-36E-22: NW, NWSW	NM 93230 Not adjudicated by the BLM Assigned a 7.5% ORRI limited from the surface down to the base of the Grayburg formation. Owned: Conveyed: 7.5% ORRI Retained: Reserved: Prev Reserved: Mayhill Oil Corp. 5/5%, Tay-Mor Enterprises Inc. 1.5%, CCW Resources, Inc. 0.5%
3	Transfer of Operating Rights	10/2/1994	10/2/1994	12/19/1994	1/1/1995	Steve Sell Lisa Sell	John Pool	24S-36E-22: NW, NWSW	NM 93230 Conveyed Operating Rights limited to the surface down to the base of the Grayburg formation. Owned: 100% Conveyed: 5% Retained: 95% ORRI Reserved: n/a ORRI Prev Reserved: 7.5%
4	Transfer of Operating Rights	10/3/1994	10/3/1994	12/19/1994	n/a	Mayhill Oil Corporation	Ramsey Royalties, Inc	24S-36E-22: NW, NWSW	NM 93230 Not adjudicated by the BLM. Assigned a 1% ORRI limited from the surface down to the base of the Grayburg formation. Owned: n/a Conveyed: 1.0% Retained: n/a Reserved: n/a Prev Reserved: n/a

Doc #	Type	Rec Date	Doc Date	Eff Date	Appr Date	Grantor	Grantee	Legal Description	Notes
5	Transfer of Operating Rights	10/15/1994	10/15/1994	12/19/1994	n/a	Steve Sell Lisa Sell	Crossroads Energy Company, Inc	24S-36E-22: NW, NWSW	NM 93230 Not adjudicated by the BLM. Assigned an ORRI limited from the surface down to the base of the Grayburg formation. Owned: n/a Conveyed: 2.125% Retained: n/a Reserved: n/a Prev Reserved: n/a
6	Transfer of Operating Rights	6/20/1995	4/1/1995	8/4/1995	9/1/1995	Steve Sell	Melrose Resources, Inc	24S-36E-22: NW, NWSW	NM 93230 Conveyed Operating Rights limited to the surface down to the base of the Grayburg formation. Owned: 95% Conveyed: 60% Retained: 35% ORRI Reserved: None ORRI Prev Reserved: 10% Proportionately reduced
7	Transfer of Operating Rights	6/20/1995	4/1/1995	8/4/1995	9/1/1995	Steve Sell Lisa Sell	Melrose Resources, Inc	24S-36E-22: NW, NWSW	NM 93230 Conveyed Operating Rights limited to the surface down to the base of the Grayburg formation. Owned: 35% Conveyed: 25% Retained: 10% ORRI Reserved: None ORRI Prev Reserved: 10% Proportionately reduced
8	Decision - Petition for Reinstatement	7/21/1995	7/21/1995	7/21/1995	7/21/1995	Steve Sell	United States	24S-36E-22: NW, NWSW	NM 93230 Petition received by BLM. Lease terminated 6/1/1995 for failure to make timely payment of rental due.

Doc #	Type	Rec Date	Doc Date	Eff Date	Appr Date	Grantor	Grantee	Legal Description	Notes
9	Decision - Class II Reinstatement Granted	9/12/1995	9/12/1995	9/12/1995	9/12/1995	United States	Steve Sell	24S-36E-22: NW, NWSW	NM 93230 Reinstatement of lease granted by BLM after lease terminated 6/1/1995 for failure to make timely payment of rental due. Lease terms amended by attached Oil and Gas Lease Amendment. Rental of \$10 per acre, or fraction of an acre, per year. Royalty at a rate of 16 2/3 percent, computed on a sliding scale of four percentage points greater than the competitive royalty schedule attached to the lease.
10	Transfer of Operating Rights	12/18/1995	12/18/1995	3/13/1996	n/a	Ramsey Royalties, Inc Tay-Mor Enterprises, Inc Mayhill Oil Corporation	Melrose Resources Inc Steve Sell John Pool	24S-36E-22: NW, NWSW	NM 93230 Conveyed an Overriding Royalty Interest limited from surface down to the base of the Grayburg formation. ORRI Owned: 1.0%/1.5%/4.5% ORRI Conveyed: 0.45%/0.675%/2.08542% ORRI Retained: 0.55%/0.825%/2.41458% ORRI Reserved: n/a ORRI Prev Reserved: n/a Melrose Resources Inc. 2.58542%, Steve Sell 0.41667%, John Pool 0.20833%
11	Transfer of Operating Rights	12/18/1995	12/18/1995	3/13/1996	n/a	Melrose Energy Company, successor of Crossroads Energy Company,	Melrose Resources, Inc	24S-36E-22: NW, NWSW	NM 93230 Conveyed Overriding Royalty Interest limited from the surface down to the base of the Grayburg formation. ORRI Owned: 2.125% ORRI Conveyed: 0.95625% ORRI Retained: 1.16875% ORRI Reserved: n/a ORRI Prev Reserved: n/a



Doc #	Type	Rec Date	Doc Date	Eff Date	Appr Date	Grantor	Grantee	Legal Description	Notes
12	Transfer of Operating Rights	9/1/1997	9/1/1997	9/24/1997	10/1/1997	Steve Sell Lisa Sell	Fred Corey	24S-36E-22: NW, NWSW	NM 93230 Conveyed Operating Rights limited to the surface down to the base of the Grayburg formation. Owned: 10% Conveyed: 1% Retained: 9% ORRI Reserved: n/a ORRI Prev Reserved: 5.4%
13	First Production	2/27/1998	2/27/1998	3/2/1998	2/27/1998	Assistant District Manager, Mineral Support Team	State Director	24S-36E-22: NW, NWSW	Letter stated that the producing oil well named #4 Meyers C Federal was completed on 8/27/1997.
14	Transfer of Operating Rights	9/30/1999	9/30/1999	11/12/1999	12/1/1999	Melrose Resources Inc	Steve Sell John D Pool Fred C Corey Charles Morgan	24S-36E-22: NW, NWSW	NM 93230 Conveyed Operating Rights limited from the surface down to the base of the Grayburg formation. Owned: 85% Conveyed: 85% Retained: 0 ORRI Reserved: 0 ORRI Prev Reserved: Existing burdens of record Steve Sell 42%, John D. Pool 34.833%, Fred C. Corey 6.917%, Charles Morgan 1.25%
15	Transfer of Operating Rights	9/30/1999	9/30/1999	10/25/1999	n/a	Melrose Energy Company	SDX Properties, Inc	24S-36E-22: NW, NWSW	NM 93230 Conveyed an Overriding Royalty Interest limited from the surface down to the base of the Grayburg formation. Owned: 1.16875% Conveyed: 1.16875% Retained: 0 ORRI Reserved: 0 ORRI Prev Reserved: Existing burdens of record\

Doc #	Type	Rec Date	Doc Date	Eff Date	Appr Date	Grantor	Grantee	Legal Description	Notes
16	Transfer of Operating Rights	9/30/1999	9/30/1999	11/12/1999	n/a	Melrose Energy Company	SDX Properties, Inc	24S-36E-22: NW, NWSW	NM 93230 Conveyed an Overriding Royalty Interest limited from the surface down to the base of the Grayburg formation. Owned: 1.16875% Conveyed: 1.16875% Retained: 0 ORRI Reserved: 0 ORRI Prev Reserved: Existing burdens of record\
17	Transfer of Operating Rights	12/16/2002	12/1/2002	12/19/2002	1/1/2003	Steve Sell John D Pool Stacy Pool Fred C Corey Deborah Corey Charles (Chuck) M Morgan Monica Morgan	Robert H Forrest, Jr	24S-36E-22: NW, NWSW	NM 93230 Conveyed Operating Rights limited from the surface down to the base of the Grayburg formation. Owned: 100% Conveyed: 100% Retained: 0 ORRI Reserved: 0 ORRI Prev Reserved: Existing burdens of record
18	Qualifying Stripper Royalty Rate	n/a	12/1/2002	n/a	n/a	Donald J Pagliasotti, Minerals Revenue Specialist	Fred Corey SDX Resources, Inc	24S-36E-22: NW, NWSW	Letter stated that the Stripper Royalty Rate of 6.1% was accepted.
19	Transfer of Operating Rights	12/31/2015	12/31/2015	1/4/2016	2/1/2016	Robert H Forrest, Jr	Cress Green Energy Resources, LLC	24S-36E-22: NW, NWSW	NM 93230 Conveyed Operating Rights limited from the surface down to the base of Grayburg formation. Owned: 100% Conveyed: 100% Retained: 0 ORRI Reserved: 0 ORRI Prev Reserved: Existing burdens of record

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**OFFER TO LEASE AND LEASE FOR OIL AND GAS**

Serial No. 5/17/94  
RA40  
NM NM 93230

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: **SELL STEVE**  
Street: **511 W OHIO #601**  
City, State, Zip Code: **MIDLAND TX 79701**

2. This application/offer/lease is for: (Check only one)  PUBLIC DOMAIN LANDS  ACQUIRED LANDS (percent U.S. interest \_\_\_\_\_)  
Surface managing agency if other than BLM: \_\_\_\_\_ Unit/Project: \_\_\_\_\_  
Legal description of land requested: \_\_\_\_\_ \*Parcel No.: \_\_\_\_\_ \*Sale Date (m/d/y): \_\_\_\_/\_\_\_\_/\_\_\_\_  
**\*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**  
T: \_\_\_\_\_ R: \_\_\_\_\_ Meridian: \_\_\_\_\_ State: \_\_\_\_\_ County: \_\_\_\_\_

Amount remitted, Filing fee \$ \_\_\_\_\_ Rental fee \$ \_\_\_\_\_ Total acres applied for \_\_\_\_\_  
Total \$ \_\_\_\_\_

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:  
T: **24S** R: **36E** Meridian: **NMPM** State: **NM** County: **LEA**  
SECTION:  
**22 NW, NWSW;**

Total acres in lease: **200.0000**  
Rental retained: **\$300.00**

NOTED  
HT  
MTP  
CG  
USE S/V  
COAL  
POT  
GEO

5/26/94  
RE

Total acres in lease  
XXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

Competitive lease (ten years)

Competitive lease (five years)

Other \_\_\_\_\_

THE UNITED STATES OF AMERICA  
by Dolores L. Gijl  
(Signing Officer)  
**CHIEF, OIL AND GAS LEASING UNIT**  
(Title) MAY 17 1994  
(Date)  
**JUN 1 1994**  
EFFECTIVE DATE OF LEASE

FOR

(Continued on reverse)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

(Signature of Lessee or Attorney-in-fact)

## LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) ~~Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;~~

~~(b) Competitive lease, \$1.50 for primary term; thereafter \$2.00;~~

(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12 1/2 %;

(b) Competitive lease, 12 1/2 %;

(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

ATTACHMENT TO EACH ISSUED LEASE

MLA Section 2(a)(2)(A) Compliance

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or, (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

UNITED STATE  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**COMPETITIVE OIL AND GAS OR  
GEOTHERMAL RESOURCES LEASE BID**  
30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;  
30 U.S.C. 1001-1025; 42 U.S.C. 6508

**NM 93230**

FORM APPROVED  
OMB NO. 1004-0074  
Expires: April 30, 1994

State <u>NEW MEXICO</u>	Date of sale <u>4/20/94</u>
----------------------------	--------------------------------

PARCEL NUMBER	AMOUNT OF BID (See Instructions below)	
	TOTAL BID	PAYMENT SUBMITTED WITH BID
THE BID IS FOR (Check one): <input type="checkbox"/> Oil and Gas Parcel Number <u>9404081</u>	<u>36,000.00</u>	<u>775.00</u>
<input type="checkbox"/> Geothermal Parcel Number _____ Name of Known Geothermal Resource Area (KGRA) _____		

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. (See details concerning lease qualifications on reverse.)

I CERTIFY THAT I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

**IMPORTANT NOTICE:** Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

STEVE SELL  
Print or Type Name of Lessee

[Signature]  
Signature of Lessee or Bidder

511 W. OFFICE SUITE 601  
Address of Lessee

MAPLANA TX 79701  
City State Zip Code

**INSTRUCTIONS**

**INSTRUCTIONS FOR OIL AND GAS BID  
(Except NPR-A)**

1. Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the *Notice of Competitive Lease Sale*.
2. Bid **must** be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance **must** be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, **must** be submitted to the proper BLM office within 10 working days after the last day of the oral auction. **Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.**
3. If bidder is **not** the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.
4. This bid may be executed (*signed*) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
5. In view of the above requirement (4), bidder may wish to leave AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the Bureau of Land Management at the oral auction.

**INSTRUCTIONS FOR GEOTHERMAL OR  
NPR-A OIL AND GAS BID**

1. Separate bid for each parcel is required. Identify parcel by the number assigned to a tract.
2. Bid **must** be accompanied by one-fifth of the total amount of bid. The remittance **must** be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.
3. Mark envelope Bid for Geothermal Resources Lease in (*Name of KGRA*) or Bid for NPR-A Lease, as appropriate. Be sure correct parcel number of tract on which bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
4. Mail or deliver bid to the proper BLM office or place indicated in the *Notice of Competitive Lease Sale*.
5. If bidder is **not** the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

OFFICIAL COPY

Form 3000-2 (July 1991)

## QUALIFICATIONS

**For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must:** (1) Be a citizen of the United States; an association (including partnerships and trusts) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)(2)(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in interest in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authorities cited herein.

**For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must:** (1) Be a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; and (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres; and (3) Certify that all parties in interest in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

**For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must:** (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals, resident aliens or private, public or municipal corporations, and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authorities cited herein.

## NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resources Lease.

**AUTHORITY:** 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

**PRINCIPLE PURPOSE:** The information is to be used to process your bid.

**ROUTINE USES:** (1) The adjudication of the bidder's right to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when comment or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

**EFFECT OF NOT PROVIDING INFORMATION:** Disclosure of the information is voluntary. If all the information is not provided, your bid may be rejected.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in accordance with 43 CFR 3120, 43 CFR 3130, or 43 CFR 3220.

This information will be used to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit.

## BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 2 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0074), Washington, D.C. 20503.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

DEC 19 1994

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Lease Serial No.

NM 93230

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\*  
Street Crossroads Energy Company, Inc.  
City, State, ZIP Code c/o Michael Corja  
6230 N. Western #200  
Oklahoma City, Oklahoma 73118

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description  Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest		Percent of Overriding Royalty or Similar Interests	
	Owned  b	<del>Owned</del> Overriding Royalty Interest  d	Reserved  e	Previously reserved or conveyed  f
<p>Township 24 South, Range 36 East, N.M.P.M.</p> <p>Section 22: NW/4, NW/4 SW/4</p> <p>containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.</p> <p>In the event there is a conflict between the terms contained in this assignment and the assignment recorded in Lea County, then the terms contained in the county assignment shall prevail.</p>		2.125%		

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title) (Date)

Tear

PART C: GENERAL INSTRUCTIONS

Tear

1. Transferor/Transferee(s) must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows: The transferor(s) must manually sign 3 original copies, and the transferee(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each transfer of operating rights (sublease). For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (nonrefundable) must accompany the transfer, payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.
2. Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.
3. In Item No. 2 of Part A, describe lands affected (See 43 CFR 3106, 3135, or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
4. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.
5. The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241.)
6. Transfer, if approved, takes effect on the first day of the month following date of filing in the proper BLM office. If a bond is necessary, it must be furnished prior to approval of the transfer.
7. Overriding royalty and payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purposes only. No official approval will be given.
8. Upon approval of a transfer of operating rights (sublease), the sublessee is responsible for all lease obligations under the lease rights transferred to the sublessee.



**PAPERWORK REDUCTION ACT STATEMENT**

- 1. This information is being collected pursuant to the law.
- 2. This information will be used to create and maintain a record of oil and gas/geothermal lease activity.
- 3. Response to this request is required to obtain benefit.

**NOTICE**

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas/geothermal lease transfer application.

**AUTHORITY:** 30 U.S.C. 181 et seq; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

**PRINCIPAL PURPOSE**—The information is to be used to process transfers of operating rights (subleases) for oil and gas/geothermal resources leases.

**ROUTINE USES:**

- (1) The approval of transferee's rights to the land or resources.
- (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
- (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
- (4) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

**EFFECT OF NOT PROVIDING INFORMATION**—If all requested information is not provided, the transfer may not be approved. See regulations at 43 CFR Groups 3100 and 3200.

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

- 1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- 2. Transferee certifies as follows: (a) Transferee is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's changeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
- 3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 15<sup>th</sup> day of October, 1994

Executed this 15 day of October, 1994

Name of Transferor Steve Sell Please type or print

Transferor Lisa W. Sell (Signature)

or Attorney-in-fact \_\_\_\_\_ (Signature)

Transferee by: \_\_\_\_\_ (Signature)

or Crossroads Energy Company, Inc. (Signature)

Attorney-in-fact \_\_\_\_\_ (Signature)

P.O. Box 5061 (Transferor's Address)

Midland, Texas 79702 (City) (State) (Zip Code)

**BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or Agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of that Department or Agency.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

RECEIVED  
BUREAU OF LAND MGMT.  
N.M.P.O. SANTA FE  
DEC 19 1994 PM  
AMS  
7 8 9 10 11 12 1 2 3 4 5 6

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Lease Serial No.

NM 93230

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\*  
Street Ramsey Royalties, Inc.  
City, State, ZIP Code P.O. Box 51467  
Midland, Texas 79710

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description

Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Reserved	Retained	Reserved	Previously reserved or conveyed
b	c		d	e	f
Township 24 South, Range 36 East, N.M.P.M.  Section 22: NW/4, NW/4 SW/4  containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.  In the event there is a conflict between the terms contained in this assignment and the assignment recorded in Lea County, then the terms contained in the county assignment shall prevail.		1.0%			

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title) (Date)

PART C: GENERAL INSTRUCTIONS

1. Transferor/Transferee(s) must complete Parts A1 and A2 and Part D. All parties to transfer must sign as follows: The transferor(s) must manually sign 3 original copies, and the transferee(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each transfer of operating rights (sublease). For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (nonrefundable) must accompany the transfer, payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.
2. Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.
3. In Item No. 2 of Part A, describe lands affected (See 43 CFR 3106, 3135, or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.

4. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.
5. The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241.)
6. Transfer, if approved, takes effect on the first day of the month following date of filing in the proper BLM office. If a bond is necessary, it must be furnished prior to approval of the transfer.
7. Overriding royalty and payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purposes only. No official approval will be given.
8. Upon approval of a transfer of operating rights (sublease), the sublessee is responsible for all lease obligations under the lease rights transferred to the sublessee.

**PAPERWORK REDUCTION ACT STATEMENT**

1. This information is being collected pursuant to the law.
2. This information will be used to create and maintain a record of oil and gas/geothermal lease activity.
3. Response to this request is required to obtain benefit.

**NOTICE**

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas/geothermal lease transfer application.

**AUTHORITY:** 30 U.S.C. 181 et seq; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

**PRINCIPAL PURPOSE**—The information is to be used to process transfers of operating rights (subleases) for oil and gas/geothermal resources leases.

**ROUTINE USES:**

- (1) The approval of transferee's rights to the land or resources.
- (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
- (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

**EFFECT OF NOT PROVIDING INFORMATION**—If all requested information is not provided, the transfer may not be approved. See regulations at 43 CFR Groups 3100 and 3200.

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States, an association of such citizens, a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease, and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts, (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(e) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 3rd day of October, 1994

Executed this 3rd day of October, 1994

Name of Transferor Mayhill Oil Corporation

Transferor by: [Signature]

Transferee [Signature]  
or Ramsey Royalties, Inc.

Attorney-in-fact [Signature]

Attorney-in-fact [Signature]

P.O. Box 5334

(Transferor's Address)

Midland, Texas 79704

(City) (State) (Zip Code)

**BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or Agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

RECEIVED  
BUREAU OF LAND MANAGEMENT  
NEW MEXICO STATE  
DEC 19 1994  
AM 7 18, 9, 10, 11, 12, 1, 2, 3, 4, 5, 6 PM

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM 93230

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\* SEE LIST ON REVERSE SIDE  
Street  
City, State, ZIP Code

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Reserved	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Township 24 South, Range 36 East, N.M.P.M.  Section 22: NW/4, NW/4 SW/4  containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.  In the event there is a conflict between the terms contained in this assignment and the assignment recorded in Lea County, then the terms contained in the county assignment shall prevail.		7.5%			

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title) (Date)

Tear

PART C: GENERAL INSTRUCTIONS

Tear

1. Transferor/Transferee(s) must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows: The transferor(s) must manually sign 3 original copies, and the transferee(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each transfer of operating rights (sublease). For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (nonrefundable) must accompany the transfer, payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.
2. Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.
3. In Item No. 2 of Part A, describe lands affected (See 43 CFR 3106, 3135, or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
4. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.
5. The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241.)
6. Transfer, if approved, takes effect on the first day of the month following date of filing in the proper BLM office. If a bond is necessary, it must be furnished prior to approval of the transfer.
7. Overriding royalty and payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purposes only. No official approval will be given.
8. Upon approval of a transfer of operating rights (sublease), the sublessee is responsible for all lease obligations under the lease rights transferred to the sublessee.

PAPERWORK REDUCTION ACT STATEMENT

- 1. This information is being collected pursuant to the law.
2. This information will be used to create and maintain a record of oil and gas/geothermal lease activity.
3. Response to this request is required to obtain benefit.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you have furnished the following information in connection with information required by this oil and gas/geothermal lease transfer application.

AUTHORITY: 30 U.S.C. 181 et seq; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE--The information is to be used to process transfers of operating rights (subleases) for oil and gas/geothermal resources leases.

ROUTINE USES:

- (1) The approval of transferee's rights to the land or resources.
(2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
(3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
(4) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION--If all requested information is not provided, the transfer may not be approved. See regulations at 43 CFR Groups 3100 and 3200.

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

OVERRIDING ROYALTY INTEREST

Table with 2 columns: Transferee Name and Royalty Percentage. Includes MAYHILL OIL CORPORATION (5.5% of 8/8), TAY-MOR ENTERPRISES INC. (1.5% of 8/8), and CCW RESOURCES, INC. (0.5% of 8/8).

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- 1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States... (b) Transferee is not considered a minor... (c) Transferee's chargeable interests... (d) All parties holding an interest... (e) Transferee is in compliance with reclamation requirements... (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal transfers, an overriding royalty may not be less than one fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 1st day of October, 1974. Name of Transferor: Steve Sell. Transferor or Attorney-in-fact: Lisa Sell. Address: P. O. Box 5061, Midland, Texas 79704.

Executed this 1st day of October, 1974. Transferee: Mayhill Oil Corporation, Taylor Enterprises, Inc., CCW Resources.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM 93230

RECEIVED  
BUR. OF LAND MGMT.  
N.M. CO. SANTA FE  
DEC 19 1994  
7 8 9 10 11 12 1 2 3 4 5 6 PM

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\* **John Pool**  
Street **P. O. Box 5441**  
City, State, ZIP Code **Midland, Texas 79704**

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	<small>a</small> <small>h</small>	<small>c</small>	<small>d</small>	<small>e</small>	<small>f</small>
<u>Township 24 South, Range 36 East, N.M.P.M.</u>  Section 22: NW/4, NW/4 SW/4  containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.  In the event there is a conflict between the terms contained in this assignment and the assignment recorded in Lea County, then the terms contained in the county assignment shall prevail.	100%	5%	95%	--	7.5%

BLM RECOGNIZES ONLY THE ASSIGNMENT OF INTEREST, NOT THE CONDITIONS OF THE AGREEMENT.

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective JAN 01 1995

By /s/ Gloria S. Baca  
(Authorized Officer)

FOR Chief, Lease Maintenance Unit  
(Title) MAR 31 1995  
(Date)

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

### PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of N-P-R-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 54,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 11 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 2nd day of October, 1994

Executed this 2nd day of October, 1994

Name of Transferor Steve Sell Please type or print

Transferor Lisa W. Sell  
or Lisa Sell (Signature)

Attorney-in-fact \_\_\_\_\_  
(Signature)

P. O. Box 5061

(Transferor's Address)

Midland, Texas 79704

(City) (State) (Zip Code)

Transferee John Pool  
or John Pool (Signature)

Attorney-in-fact \_\_\_\_\_  
(Signature)

### BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMNM 93230  
3108 (93210-gsb)

OFFICIAL FILE COPY		
Office	Surname	Date
93210	Bisaca	7/2/95

JUL 21 1995

CERTIFIED--RETURN RECEIPT REQUESTED

DECISION

Steve Sell  
511 West Ohio #601  
Midland, TX 79701

Oil and Gas

Petition for Reinstatement

Oil and Gas Lease NMNM 93230 terminated on June 1, 1995, for failure to make timely payment of rental due.

Your Petition for Reinstatement was received in this office on July 7, 1995, and is being processed for reinstatement under the Class II provisions. Rental at the rate of \$10.00 per acre, the \$500.00 administrative fee, and \$125.00 to cover the cost of publishing the reinstatement in the FEDERAL REGISTER have been received.

The lessee must agree to the new lease terms by executing and returning all copies of the enclosed revisions of lease terms increasing rental and royalty rates. The enclosed Oil and Gas Lease Amendment must be signed and returned within 30 days. If this requirement is not met within 30 days from receipt of this Decision, the case will be closed as to the petition for reinstatement without further notice, and only the advanced rental paid will be refunded.

This Decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this Decision. The appellant has the burden of showing that the Decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this Decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this



Decision, to the Interior Board of Land Appeals, and to the appropriate Office of the Solicitor (see CFR 4.413), at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied;
2. the likelihood of the appellant's success on the merits;
3. the likelihood of immediate and irreparable harm if the stay is not granted; and
4. whether the public interest favors granting the stay.

Gloria S. Baca  
Land Law Examiner  
Fluids Adjudication Team

2 Enclosures:  
1 - OG Lease Amendment  
2 - Form 1841-1

93210-gsb:GSBaca:amr:X366:7/21/95:NM93230.GSB

NMNM 93230  
3108 (93210-gsb)

OFFICIAL FILE COPY		
Office	Surname	Date
93210	J. Kuvac	9/11/95
93210	G. Baca	9/12/95
Last		File (Office)

SEP 12 1995

CERTIFIED--RETURN RECEIPT REQUESTED

DECISION

Steve Sell  
511 W Ohio #601  
Midland, TX 79701

:  
:  
:  
:  
:

Oil and Gas

Class II Reinstatement Granted

Oil and Gas Lease NMNM 93230 terminated June 1, 1995, for failure to make timely payment of rental due.

All conditions and requirements for reinstatement of the lease under Title IV of the Federal Oil and Gas Royalty Management Act, Public Law 97-451 (30 U.S.C. 188 (d) and (e)), have been met. Accordingly, the lease is hereby reinstated under the amended lease terms required by that law.

The lessee's copy of the amendment containing the amended lease terms is enclosed. Please attach a copy of this decision and the amendment of lease terms to your copy of the lease so that your lease records are complete.

**Gloria S. Baca**

Gloria S. Baca  
Land Law Examiner  
Fluids Adjudication Team

1 Enclosure

93210-gsb:GSBaca:lr:X366:9/8/95:REINSMT1.GSB

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
P. O. BOX 1449  
SANTA FE, NM 87504

OIL AND GAS LEASE AMENDMENT

Serial Number
NMNM 93230
Effective Date of Lease
June 1, 1994
Amendment Issued Effective
June 1, 1995

Pursuant to the provision of P. L. 97-451 (76 Stat. 2447) the lessee agrees to lease terms increasing rental and royalty rates as follows:

Rental of \$10 per acre, or fraction of an acre, per year.

Royalty at a rate of 16-2/3 percent, computed on a sliding scale of four percentage points greater than the competitive royalty schedule attached to the lease.

This lease terms, to be attached to and made a part of the lease, are effective as of the date shown above.

By: At Sell  
Title: STEVE SELL  
OWNER  
7/24/95  
Date

The UNITED STATES OF AMERICA

By: Gloria S. Baca  
Signature of Signing Officer  
Gloria S. Baca  
Land Law Examiner  
Title  
SEP 12 1995  
Date

reinstatement of Oil and Gas Lease NMNM 90906, Lea County, New Mexico, was timely filed and was accompanied by all required rentals and royalties accruing from June 1, 1995, the date of termination. No valid lease has been issued affecting the land. The lessee has agreed to new lease terms for rentals and royalties at rates of \$10.00 per acre, or fraction thereof, and 16 $\frac{2}{3}$  percent, respectively. Payment of a \$500.00 administrative fee has been made. Having met all the requirements for reinstatement of the lease as set in Section 31(d) and (e) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 188(d) and (e)), the Bureau of Land Management is proposing to reinstate the lease effective June 1, 1995, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited above, and the reimbursement for cost of publication of this Notice.

**FOR FURTHER INFORMATION CONTACT:** Gloria S. Baca, BLM, New Mexico State Office, (505) 438-7566.

Dated: August 3, 1995.

Gloria S. Baca,

Land Law Examiner.

[FR Doc. 95-19850 Filed 8-10-95; 8:45 am]

BILLING CODE 4310-FB-M

[NM-930-1310-01; NMNM 93230]

**Notice of Proposed Reinstatement of Terminated Oil and Gas Lease; New Mexico**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice.

**SUMMARY:** Under the provisions of Public Law 97-451, a petition for reinstatement of Oil and Gas Lease NMNM 93230, Lea County, New Mexico, was timely filed and was accompanied by all required rentals and royalties accruing from June 1, 1995, the date of termination. No valid lease has been issued affecting the land. The lessee has agreed to new lease terms for rentals and royalties at rates of \$10.00 per acre, or fraction thereof, and 16 $\frac{2}{3}$  percent, respectively. Payment of a \$500.00 administrative fee has been made. Having met all the requirements for reinstatement of the lease as set in Section 31 (d) and (e) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 188 (d) and (e)), the Bureau of Land Management is proposing to reinstate the lease effective June 1, 1995, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited

above, and the reimbursement for cost of publication of this Notice.

**FOR FURTHER INFORMATION CONTACT:** Gloria S. Baca, BLM, New Mexico State Office, (505) 438-7566.

Dated: August 3, 1995.

Gloria S. Baca,

Land Law Examiner.

[FR Doc. 95-19851 Filed 8-10-95; 8:45 am]

BILLING CODE 4310-FB-M

[NM-930-1310-01; NMNM 90920]

**Notice of Proposed Reinstatement of Terminated Oil and Gas Lease; New Mexico**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice.

**SUMMARY:** Under the provisions of Public Law 97-451, a petition for reinstatement of Oil and Gas Lease NMNM 90920, Lea County, New Mexico, was timely filed and was accompanied by all required rentals and royalties accruing from June 1, 1995, the date of termination. No valid lease has been issued affecting the land. The lessee has agreed to new lease terms for rentals and royalties at rates of \$10.00 per acre, or fraction thereof, and 16 $\frac{2}{3}$  percent, respectively. Payment of a \$500.00 administrative fee has been made. Having met all the requirements for reinstatement of the lease as set in Section 31 (d) and (e) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 188(d) and (e)), the Bureau of Land Management is proposing to reinstate the lease effective June 1, 1995, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited above, and the reimbursement for cost of publication of this Notice.

**FOR FURTHER INFORMATION CONTACT:** Gloria S. Baca, BLM, New Mexico State Office, (505) 438-7566.

Dated: August 3, 1995.

Gloria S. Baca,

Land Law Examiner.

[FR Doc. 95-19852 Filed 8-10-95; 8:45 am]

BILLING CODE 4310-FB-M

[NM-930-1310-01; NMNM 92767]

**Notice of Proposed Reinstatement of Terminated Oil and Gas Lease; New Mexico**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice.

**SUMMARY:** Under the provisions of Public Law 97-451, a petition for

reinstatement of Oil and Gas Lease NMNM 92767, Eddy County, New Mexico, was timely filed and was accompanied by all required rentals and royalties accruing from March 1, 1995, the date of termination. No valid lease has been issued affecting the land. The lessee has agreed to new lease terms for rentals and royalties at rates of \$10.00 per acre, or fraction thereof, and 16 $\frac{2}{3}$  percent, respectively. Payment of a \$500.00 administrative fee has been made. Having met all the requirements for reinstatement of the lease as set in Section 31 (d) and (e) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 188 (d) and (e)), the Bureau of Land Management is proposing to reinstate the lease effective March 1, 1995, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited above, and the reimbursement for cost of publication of this Notice.

**FOR FURTHER INFORMATION CONTACT:** Gloria S. Baca, BLM, New Mexico State Office, (505) 438-7566.

Dated: August 3, 1995.

Gloria S. Baca,

Land Law Examiner.

[FR Doc. 95-19853 Filed 8-10-95; 8:45 am]

BILLING CODE 4310-FB-M

[NM-930-1310-01; NMNM 92773]

**Notice of Proposed Reinstatement of Terminated Oil and Gas Lease; New Mexico**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice.

**SUMMARY:** Under the provisions of Public Law 97-451, a petition for reinstatement of Oil and Gas Lease NMNM 92773, Lea County, New Mexico, was timely filed and was accompanied by all required rentals and royalties accruing from March 1, 1995, the date of termination. No valid lease has been issued affecting the land. The lessee has agreed to new lease terms for rentals and royalties at rates of \$10.00 per acre, or fraction thereof, and 16 $\frac{2}{3}$  percent, respectively. Payment of a \$500.00 administrative fee has been made. Having met all the requirements for reinstatement of the lease as set in Section 31(d) and (e) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 188(d) and (e)), the Bureau of Land Management is proposing to reinstate the lease effective March 1, 1995, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited

4310-FB

DEPARTMENT OF THE INTERIOR  
Bureau of Land Management  
(NM-930-1310-01; NMNM 93230)

OFFICIAL FILE COPY		
Office	Surname	Date
93210	J. Hillier	8/2/95
93210	G. Baca	8/2/95

Notice of Proposed Reinstatement of Terminated Oil and Gas Lease;  
New Mexico

AGENCY: Bureau of Land Management, Interior

ACTION: Notice

SUMMARY: Under the provisions of Public Law 97-451, a petition for reinstatement of Oil and Gas Lease NMNM 93230, Lea County, New Mexico, was timely filed and was accompanied by all required rentals and royalties accruing from June 1, 1995, the date of termination.

No valid lease has been issued affecting the land. The lessee has agreed to new lease terms for rentals and royalties at rates of \$10.00 per acre, or fraction thereof, and 16 2/3 percent, respectively. Payment of a \$500.00 administrative fee has been made. Having met all the requirements for reinstatement of the lease as set in Section 31(d) and (e) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 188(d) and (e)), the Bureau of Land Management is proposing to reinstate the lease effective June 1, 1995, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited above, and the reimbursement for cost of publication of this Notice.

FOR FURTHER INFORMATION CONTACT: Gloria S. Baca, BLM, New Mexico State Office, (505) 438-7566.

~~By Gloria S. Baca~~

Gloria S. Baca  
Land Law Examiner

Dated: AUG - 3 1995

93210-gsb:GBaca:lr:X366:07/27/95:SSELL5.GSB

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

RECEIVED

BUR. OF LAND MGMT. **TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**  
N.M.S.O. SANTA FE

Lease Serial No.

NM-93230

AM AUG 04 1995 PM  
7 8 9 10 11 12 1 2 3 4 5 6

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\*

Street Melrose Resources, Inc.  
City, State, ZIP Code c/o Michael Corjay  
6230 N. Western, #200  
Oklahoma City, OK 73118

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
<p>T-24-S, R-36-E, N.M.P.M. Section 22: NW/4, NW/4 SW/4</p> <p>Lea County, New Mexico, containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.</p> <p>In the event there is a conflict between the terms of this assignment and the assignment recorded in Lea County, New Mexico, then the terms contained in the county assignment shall prevail.</p> <p style="text-align: right;"><b>BLM RECOGNIZES ONLY THE ASSIGNMENT OF INTEREST, NOT THE CONDITIONS OF THE AGREEMENT</b></p>	95%	60%	35%	None	10% Proportionately reduced

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective SEP - 1 1995

/s/ JENNIFER L. VIARREAL

LAND LAW ASSISTANT  
FLUIDS ADJUDICATION TEAM

SEP 22 1995

By \_\_\_\_\_  
(Authorized Officer)

(Title)

(Date)

GENERAL INSTRUCTIONS

Tear

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- 1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 20th day of June, 1995 but effective April 1, 1995

Executed this 27th day of June, 1995

Name of Transferor Steve Sell and his wife, Lisa Sell, Marose Resources, Inc.

Transferor or Attorney-in-fact Steve Sell (Signature) Lisa Sell (Signature)

Transferee by: Michael Conway, U.P. (Signature)

P. O. Box 5061 (Transferor's Address) Midland, Texas 79704 (City) (State) (Zip Code)

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

**RECEIVED**  
BUR. OF LAND MGMT.  
N.M.S.O. SANTA FE

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Lease Serial No.

AM **AUG 04 1995** PM  
7 8 9 10 11 12 1 2 3 4 5 6

NM-93230

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Type or print plainly in ink and sign in ink.

**PART A: TRANSFER**

1. Transferee (Sublessee)\*  
Street **Melrose Resources, Inc.**  
City, State, ZIP Code **c/o Michael Corjay  
6230 N. Western, #200  
Oklahoma City, OK 73118**

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
<p><b>T-24-S, R-36-E, N.M.P.M.</b> <b>Section 22: NW/4, NW/4 SW/4</b></p> <p>Lea County, New Mexico, containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.</p> <p>This Transfer is executed to effectuate the transfer of title in the Bureau of Land Management Records to Melrose Resources, Inc. of 25.0% interest in the above Lease, as to the above-described lands and depths. This transfer shall be deemed to be the counterpart to the county assignments that assigned title from Steve Sell et ux. to Morven Nominees Limited and Morven Nominees Limited to Melrose Resources, Inc.</p>	35%	25%	10%	None	10% Proportionately reduced

**BLM RECOGNIZES ONLY THE ASSIGNMENT OF INTEREST, NOT THE CONDITIONS OF THE AGREEMENT**

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

SEP - 1 1995

Transfer approved effective \_\_\_\_\_

By /S/ JENNIFER L. VIARREAL  
(Authorized Officer)

LAND LAW ASSISTANT  
FLUIDS ADJUDICATION TEAM  
(Title) SEP 22 1995  
(Date)



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**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 20th day of June, 19 95  
but effective April 1, 1995

Executed this 27 day of June, 19 95  
but effective April 1, 1995

Name of Transferor Steve Sell and his wife, Lisa Sell Melrose Resources, Inc.  
Please type or print

Transferor Steve Sell  
or Steve Sell (Signature)

Transferee by: Michael J. Corbin, V.P.  
or Michael J. Corbin, V.P. (Signature)

Attorney-in-fact Lisa W. Sell  
Lisa Sell (Signature)

Attorney-in-fact \_\_\_\_\_  
(Signature)

P. O. Box 5061  
(Transferor's Address)  
Midland, Texas 79704  
(City) (State) (Zip Code)

**BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM 93230

Type or print plainly in ink and sign in ink.

RECEIVED  
BUREAU OF LAND MGMT.  
N.M.S.O. BARTLETT  
MAR 13 1996 PM  
7, 8, 9, 10, 11, 12, 1, 2, 3, 4, 5, 6

PART A: TRANSFER

1. Transferee (Sublessee)\*  
Street **Melrose Resources, Inc.**  
City, State, ZIP Code **P. O. Box 5334  
Midland, Texas 79704**

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Reserved	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
<p>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</p> <p><u>Township 24 South, Range 36 East, N.M.P.M</u> <u>Section 22: NW/4, NW/4 SW/4</u></p> <p>containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.</p> <p>In the event there is a conflict between the terms of this assignment and the assignment recorded in Lea County, New Mexico, then the terms contained in the county assignment shall prevail.</p>	own	convey	retain		
	2.125%	0.95625%	1.16875%		

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title) (Date)

PART C: GENERAL INSTRUCTIONS

1. Transferor/Transferee(s) must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows: The transferor(s) must manually sign 3 original copies, and the transferee(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each transfer of operating rights (sublease). For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (nonrefundable) must accompany the transfer. payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.
2. Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.
3. In Item No. 2 of Part A, describe lands affected (See 43 CFR 3106, 3135, or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
4. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.
5. The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241.)
6. Transfer, if approved, takes effect on the first day of the month following date of filing in the proper BLM office. If a bond is necessary, it must be furnished prior to approval of the transfer.
7. Overriding royalty and payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purposes only. No official approval will be given.
8. Upon approval of a transfer of operating rights (sublease), the sublessee is responsible for all lease obligations under the lease rights transferred to the sublessee.

PAPERWORK REDUCTION ACT STATEMENT

- 1. This information is being collected pursuant to the law.
2. This information will be used to create and maintain a record of oil and gas/geothermal lease activity.
3. Response to this request is required to obtain benefit.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas/geothermal lease transfer application.

AUTHORITY: 30 U.S.C. 181 et seq; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE—The information is to be used to process transfers of operating rights (subleases) for oil and gas/geothermal resources leases.

ROUTINE USES:

- (1) The approval of transferee's rights to the land or resources.
(2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
(3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
(4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION—If all requested information is not provided, the transfer may not be approved. See regulations at 43 CFR Groups 3100 and 3200.

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- 1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 18th day of December, 19 95

Executed this 18th day of December, 19 95

Name of Transferor Melrose Energy Company, successor of Crossroads Energy Company, Inc.

Melrose Resources, Inc.

Transferor by: [Signature] (Signature) or Attorney-in-fact

Transferee by: [Signature] (Signature) or Attorney-in-fact

P. O. Box 5061

(Transferor's Address)

Midland, Texas 79704

(City) (State) (Zip Code)

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Lease Serial No.

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

NM 93230

Type or print plainly in ink and sign in ink

RECEIVED  
BUREAU OF LAND MGMT.  
N.M.S.O. SANTA FE  
MAR 13 1996 PM  
7:18:10 AM

PART A: TRANSFER

1. Transferee (Sublessee)\*  
Street  
City, State, ZIP Code

SEE LIST ON REVERSE SIDE

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Own	convey	retain	Reserved	Previously reserved or conveyed
<p>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</p> <p><u>Township 24 South, Range 36 East, N.M.P.M</u> <u>Section 22: NW/4, NW/4 SW/4</u></p> <p>containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.</p> <p><u>Transferors</u> Ramsey Royalties, Inc. Tay-Mor Enterprises, Inc. Mayhill Oil Corporation</p> <p>In the event there is a conflict between the terms of this assignment and the assignment recorded in Lea County, New Mexico, then the terms contained in the county assignment shall prevail.</p>	<p>XXXXX</p> <p>Overriding Royalty Interest</p> <p>b</p>	<p>XXXXX</p> <p>Interest</p> <p>c</p>	<p>XXXXX</p> <p>Interest</p> <p>d</p>	e	f
	1.0%	.45%	.55%		
	1.5%	.675%	.825%		
	4.5%	2.08542%	2.41458%		
	7.0%	3.21042%	3.78958%		

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

Tear

PART C: GENERAL INSTRUCTIONS

Tear

1. Transferor/Transferee(s) must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows:

4. If any payments out of production or similar interests, arrangements or payments

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

<u>TRANSFeree</u>	<u>OVERRIDING ROYALTY INTEREST</u>
MELROSE RESOURCES, INC. P. O. Box 5334 Midland, Texas 79704	2.58542% of 8/8
STEVE SELL P. O. Box 5061 Midland, Texas 79704	0.41667% of 8/8
JOHN POOL P. O. Box 5441 Midland, Texas 79704	0.20833% of 8/8

**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease, and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 1100 or 3200) and the authorizing Acts, (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act, and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
- Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (¼) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 18th day of December, 19 95 Executed this 18th day of December, 19 95

Name of Transferor Ramsey Royalties, Inc. (Please type or print)  
 Transferor [Signature] (Signature)  
 or Ray-Mor Enterprises, Inc.  
 Transferor: [Signature] (Signature)  
Mayhill Oil Corporation  
 (Transferor's Address)  
 \_\_\_\_\_  
 (City) (State) (Zip Code)

Transferee [Signature] (Signature)  
 or Melrose Resources, Inc.  
 Transferee: [Signature] (Signature)  
Steve Sell  
 Transferee: [Signature] (Signature)  
John Pool

**BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Myers

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1995

**RECEIVED**  
BUR. OF LAND MGMT.  
N.M.S.O. SANTA FE

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Lease Serial No.

AM **SEP 24 1997** PM  
7 8 9 10 11 12 1 2 3 4 5 6

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

NM 93230

Type or print plainly in ink and sign in ink.

1. Transferee (Sublessee)\* **Fred Corey** PART A: TRANSFER  
Street **2602 Terrace**  
City, State, ZIP Code **Midland, Texas 79704**

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
<u>Township 24 South, Range 36 East, N.M.P.M</u>  Section 22: NW/4, NW/4 SW/4  containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.  In the event there is a conflict between the terms contained in this assignment and the assignment recorded in Lea County, then the terms contained in the county assignment shall prevail.	10%	1%	9%	--	5.4%

**BLM RECOGNIZES ONLY THE ASSIGNMENT OF INTEREST, NOT THE CONDITIONS OF THE AGREEMENT**

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective OCT 01 1997

/s/ Lisa M. Rivera

LAND LAW ASSISTANT  
FLUIDS ADJUDICATION TEAM

OCT 14 1997

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title) (Date)

### PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 1st day of September, 19 97

Name of Transferor Steve Sell Please type or print

Transferor Lisa W. Sell

or Lisa Sell (Signature)

Attorney-in-fact \_\_\_\_\_ (Signature)

P.O. Box 5061

(Transferor's Address)

Midland, Texas 79704

(City) (State) (Zip Code)

Executed this 1st day of September, 19 97

Transferee Fred Corey

or Fred Corey (Signature)

Attorney-in-fact \_\_\_\_\_ (Signature)

### BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office  
2909 West Second Street  
Roswell, New Mexico 88202

NMNM 93230

IN REPLY REFER TO:  
3162.4 (06200)  
NM-93230

FEB 27 1998

RECEIVED  
P.L. HALL ROOM  
93MFR-2 NM10:19  
SANTA FE, NEW MEXICO

To: State Director (93210)  
From: Assistant District Manager, Mineral Support Team (06200)  
Subject: First Production, Lease NM-93230  
Date of Completion: August 27, 1997  
Field: Jalmat, Tan-Yates-7 Rvrs  
Operator/Well Name & No.: SDX Resources, Inc.  
#4 Meyers C Federal  
Location: 2310'/S & 990'/W  
Sec. 22, T. 24 S., R. 36 E.  
Total Depth: 3500'  
Total Elevation: 3349' GR  
Production Formation: Tan-Yates-7 Rvrs  
Is well capable of Production  
in Paying Quantities: Yes  
Initial Daily Production: 20BO; 30MCFG; 115BW  
Current Status: Producing Oil Well  
Remarks:

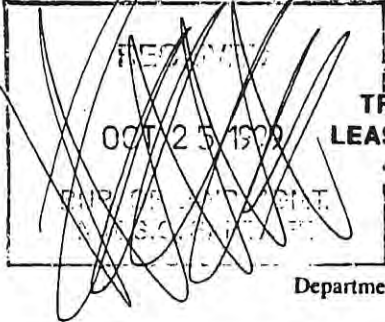
*Armand R. Lopez*

CC:  
Minerals Management Service  
Attn: Diane Baier  
P. O. Box 25165  
Mail Stop #3240  
Denver, CO 80225



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Myers "C" Federal  
FORM APPROVED  
OMB NO. 1004-0034  
Expires: September 30, 1998



**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM-93230

Type or print plainly in ink and sign in ink.

**PART A: TRANSFER**

1. Transferee (Sublessee)\*

Street **SDX Properties, Inc.**  
City, State, ZIP Code **P. O. Box 5061  
Midland, Texas 79704**

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 24 South, Range 36 East, N.M.P.M Section 22: NW/4, NW/4 SW/4  Lea County, New Mexico, limited to depths from the surface down to the base of the Grayburg Formation.  <i>In the event there is a conflict between the terms of this assignment and the assignment recorded in Lea County, New Mexico, then the terms contained in the county assignment shall prevail.</i>	1.16875%	1.16875%	-0-	-0-	Existing burdens of record

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 30th day of September, 19 99

Executed this 30th day of September, 19 99

Name of Transferor Melrose Energy Company

SDX Properties, Inc.

Please type or print

Transferor by: *[Signature]*  
or  
Attorney-in-fact *[Signature]*

Transferee by: *[Signature]*  
or  
Attorney-in-fact *[Signature]*

5813 N.W. Grand Blvd., Suite B

(Transferor's Address)

Oklahoma City, OK 73118

(City) (State) (Zip Code)

**BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Myers "C" Federal

FORM APPROVED  
OMB NO. 1004-0034  
Expires: September 30, 1998

RECEIVED  
NOV 12 1999  
BUR. OF LAND MGMT.  
N.M.S.O. SAN JUAN

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM-93230

Type or print plainly in ink and sign in ink.

1. Transferee (Sublessee)\*  
Street  
City, State, ZIP Code

PART A: TRANSFER

See back page

RECEIVED  
Receipt # 30384

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 24 South, Range 36 East, N.M.P.M Section 22: NW/4, NW/4 SW/4  Lea County, New Mexico, limited to depths from the surface down to the base of the Grayburg Formation.	85.0%	85.0%	-0-	-0-	Existing burdens of record

**BLM RECOGNIZES ONLY THE ASSIGNMENT OF INTEREST, NOT THE CONDITIONS OF THE AGREEMENT**

*In the event there is a conflict between the terms of this assignment and the assignment recorded in Lea County, New Mexico, then the terms contained in the county assignment shall prevail.*

If this form is computer generated, any inconsistencies between it and the current official bureau form 3000-3 for record title or form 3000-3a for operating rights, all parties agree to remain bound by the language of the official form.

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective DEC - 1 1999

By /S/ JENNIFER L. VIARREAL  
(Authorized Officer)

LAND LAW ASSISTANT  
FLUIDS ADJUDICATION TEAM  
(Title)

DEC 28 1999  
(Date)

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

<u>Transferees</u>	<u>Interest Being Conveyed</u>
Steve Sell P. O. Box 5061 Midland, TX 79704	42.000%
John D. Pool P. O. Box 5441 Midland, TX 79704	34.833%
Fred C. Corey 2602 Terrace Midland, TX 79705	6.917%
Charles Morgan 5321 Shady Bend Court Midland, TX 79707	1.250%
<b>TOTAL</b>	<b>85.000%</b>

**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
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I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 30th day of September, 19 99

Executed this 30th day of September, 19 99

Name of Transferor Melrose Resources, Inc.

Transferor by: *Melrose Resources, Inc.*  
or *[Signature]*  
Attorney-in-fact *[Signature]*

5813 N.W. Grand Blvd., Suite B  
(Transferor's Address)

Oklahoma City, OK 73118  
(City) (State) (Zip Code)

Transferee *[Signature]*  
or Steve Sell (Signature)

Transferee: *[Signature]* (Signature)

Transferee: *[Signature]*  
Fred C. Corey

Transferee: *[Signature]*  
Charles Morgan

**BURDEN HOURS STATEMENT**

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Myers "C" Federal  
FORM APPROVED  
OMB NO. 1004-0034  
Expires: September 30, 1998

RECEIVED  
NOV 12 1999  
BUR. OF LAND MGMT.  
N.M.S.O. SANTA FE

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM-93230

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\*

Street SDX Properties, Inc.  
City, State, ZIP Code P. O. Box 5061  
Midland, Texas 79704

RECEIVED  
Receipt # 30452

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
<p><u>Township 24 South, Range 36 East, N.M.P.M</u> Section 22: NW/4, NW/4 SW/4</p> <p>Lea County, New Mexico, limited to depths from the surface down to the base of the Grayburg Formation.</p> <p><i>In the event there is a conflict between the terms of this assignment and the assignment recorded in Lea County, New Mexico, then the terms contained in the county assignment shall prevail.</i></p>	1.16875%	1.16875%	-0-	-0-	Existing burdens of record

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

### PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 30th day of September, 19 99

Executed this 30th day of September, 19 99

Name of Transferor Melrose Energy Company

SDX Properties, Inc.

Please type or print

Transferor by: *Michael J. Carey, Jr.*

Transferee by: *[Signature]*

or *[Signature]*

or *[Signature]*

Attorney-in-fact *[Signature]*

Attorney-in-fact *[Signature]*

5813 N.W. Grand Blvd., Suite B

(Transferor's Address)

Oklahoma City, OK 73118

(City) (State) (Zip Code)

### BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BLM Form 1004  
(January 1996)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Myers "C" Ed.  
FORM APPROVED  
OMB NO. 1004-0034  
Expires: September 30, 1998

RECEIVED  
DEC 19 2002  
BUR. OF LAND MGMT  
N.M.S.O. SANTA FE

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM-93230

Type or print plainly in ink and sign in ink.

1. Transferee (Sublessee)\*  
Street  
City, State, ZIP Code

PART A: TRANSFER  
Robert H. Forrest, Jr.  
609 Elora Drive  
Carlsbad, NM 88220

Receipt # 610562

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 24 South, Range 36 East, N.M.P.M Section 22: NW/4, NW/4 SW/4  Lea County, New Mexico, containing 200 acres, more or less, from the surface down to the base of the Grayburg formation.  In the event there is a conflict between the terms of this assignment and the assignment recorded in Lea County, New Mexico, then the terms contained in the county assignment shall prevail.	100%	100%	-0-	-0-	Existing burdens of record

BLM RECOGNIZES ONLY THE  
ASSIGNMENT OF INTEREST,  
NOT THE CONDITIONS  
OF THE AGREEMENT

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective JAN 01 2003

By Anna Rudolph  
(Authorized Officer)

LAND LAW ASSISTANT  
FLUIDS ADJUDICATION TEAM  
(Title) JAN 20 2003  
(Date)

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

### PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 16<sup>th</sup> day of December ~~xxx~~ 2002  
but effective December 1, 2002.

Name of Transferor (see attached sheet)  
Please type or print

Transferor \_\_\_\_\_  
(Signature)

or  
Attorney-in-fact \_\_\_\_\_  
(Signature)

P. O. Box 5061

(Transferor's Address)

Midland, TX 79704

(City)

(State)

(Zip Code)

Executed this 16<sup>th</sup> day of December ~~xxx~~ 2002  
but effective December 1, 2002.

Transferee by: Robert H. Forrest, Jr.  
(Signature)

or  
Attorney-in-fact \_\_\_\_\_  
(Signature)

### BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or Agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Attached to and made a part of that certain  
Transfer of Operating Rights  
covering Lease No. NM-93230

Executed this 16<sup>th</sup> day of December, 2002, but effective  
December 1, 2002.

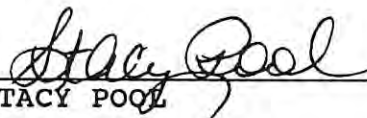
TRANSFERORS:



STEVE SELL



JOHN D. POOL



STACY POOL



FRED C. COREY



DEBORAH COREY



CHARLES (CHUCK) MORGAN



MONICA MORGAN

NMNM 93230



# United States Department of the Interior

## MINERALS MANAGEMENT SERVICE

Royalty Management Program

P.O. Box 173702

Denver, Colorado 80217-3702

IN REPLY REFER TO:

Federal Onshore CAM2

MS 392B2

JEC 30

Mr. Fred Corey  
SDX Resources, Inc.  
P.O. Box 5061  
Midland, Texas 79704-5061

Operator No: K0606  
Log No: RR10463

Subject: Qualifying Stripper Royalty Rate

Dear Mr. Corey:

The Minerals Management Service (MMS) received the Stripper Royalty Rate Reduction Notification (Notification) you submitted under provisions of 43 CFR 3103.4-2 for the lease or agreement listed below. The MMS is accepting the initial royalty rate reduction, subject to audit or additional information received, as follows:

Lease or Agreement* Number:	NMNM93230
Reduced Rate Submitted by Operator:	6.1%
Reduced Rate Accepted by MMS:	6.1%
Effective Date for Reduced Rate:	<b>December 1, 2002</b>

\* See enclosure for a list of leases in the agreement which may pay royalties using the reduced royalty rate for agreement sales only.

The reduced rate accepted by MMS (qualifying rate) will be effective for the duration of the stripper royalty rate program unless, at the end of the first year, or at the end of subsequent qualifying periods, you recalculate your rate and submit another Notification form. Your second year's stripper rate calculation will be based on production data gathered during the one-year period beginning with the above effective date (first claim year). **You have 60 calendar days after the end of the first claim year to submit a Notification to receive a lower rate in the second claim year, otherwise the qualifying rate will prevail.**

As operator of a stripper oil property, you are responsible for notifying all parties who report and pay royalties to MMS that the lease or agreement royalty rate with respect to oil has been reduced. **The reduced royalty rate does not apply to condensate, gas, or gas plant products.** Payors will be responsible for additional payments, plus late and underpayment charges, if royalties are paid at a rate lower than the rate accepted by MMS.

If you do not agree with this determination, you have the right to appeal to the Director, MMS, in accordance with the regulations contained in 30 CFR Part 290.

Qualifying Stripper Royalty Rate

2

Please retain source records supporting your royalty rate reduction calculation, including the number of producing days and production volumes for the qualifying period, since your notification is subject to audit.

Should you need more information, please call Ms. Nichelle Dixon at (800) 634-6423, extension 3163 or (303) 231-3163.

Sincerely,

A handwritten signature in dark ink, appearing to read "Donald J. Pagliasotti". The signature is written in a cursive style with some loops and flourishes.

Donald J. Pagliasotti  
Minerals Revenue Specialist

## OUTYEAR ROYALTY RATE CALCULATION

At the end of each claim year, the operator can recalculate their royalty rate reduction to determine if they qualify for a rate lower than the initial rate approved. The operator will have 60 calendar days after the end of each claim year to submit the next year's notification form if the rate is calculated to be lower than the initial qualifying rate. YOU MUST SUBMIT A NOTIFICATION EVEN IF THE RATE IS THE SAME AS THE PREVIOUS OUTYEAR RATE; OTHERWISE, THE RATE WILL REVERT BACK TO THE INITIAL QUALIFYING ROYALTY RATE REDUCTION.

### EXAMPLE:

- Operator XYZ submitted their initial notification form in September 1992. Because MMS received the form in September 1992, the effective date of the approved rate of 7.7% was October 1, 1992.
- The first claim year was October 1, 1992 - September 30, 1993.
- XYZ had 60 calendar days after the end of the first claim year (until November 29, 1993) to submit for a further reduction in their existing rate.
- XYZ used the first claim year's production history (in this example, 10/92- 09/93 production months) to determine whether or not they qualify for a rate lower than the approved initial qualifying rate.
- The MMS received XYZ's outyear notification form for a further reduction to 4.5% in October 1993; therefore, the new rate was effective November 1, 1993.

### SCENARIO 1:

- The second claim year was November 1, 1993 - October 31, 1994. XYZ has to submit another notification form by December 30, 1994, to obtain a rate lower than the initial qualifying rate of 7.7%. XYZ will base the third year's royalty rate calculation on the second year's production history (11/93 - 10/94).
- Based on the second year's data, XYZ calculates a royalty rate reduction of 5.4%. XYZ sends in a notification form which MMS receives on December 29, 1994.
- If the rate of 5.3% is accepted by MMS, the rate will be effective January 1, 1995.

### SCENARIO 2:

- The second claim year was November 1, 1993 - October 31, 1994. XYZ has to submit another notification form by December 30, 1994, to obtain a rate lower than the initial qualifying rate of 7.7%. XYZ will base the third year's royalty rate calculation on the second year's production history (11/93 - 10/94).
- Based on the second year's data, XYZ calculates a royalty rate reduction of 3.5%. There is no need for XYZ to send in a notification form based on the third year calculation since the initial qualifying rate is lower. The royalty rate reduction will revert back to the initial qualifying rate of 7.7% effective November 1, 1994.
- The third claim year will be November 1, 1994 - October 31, 1995.

cc: Mr. Vince Bladeraz  
Lea County Inspection Office  
Bureau of Land Management  
414 West Taylor  
Hobbs, New Mexico 88240-1157

Mr. Armondo Lopez, Engineer  
Roswell Field Office  
Bureau of Land Management  
2909 West 2<sup>nd</sup> Street  
Roswell, New Mexico 88201-2019

Ms. Gloria Baca  
Bureau of Land Management  
✓ P.O. Box 27115  
Santa Fe, New Mexico 87502-0115

New Mexico Taxation and Revenue Department  
Attn: Mr. Jay Norman  
P.O. Box 5374  
Santa Fe, New Mexico 87502-5374

BLM NM 50  
 (August 2015)  
 RECEIVED

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

FORM APPROVED  
 OMB NO. 1004-0034  
 Expires: July 31, 2018  
 Lease Serial No.

JAN 04 2016

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
 LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

NM 93230  
 (Meyers "C" Fed)

RECEIPT # PAID 3109253

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
 Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
 Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
 Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

**Type or print plainly in ink and sign in ink.**

**PART A: TRANSFER**

1. Transferee (Sublessee)\* Cress Green Energy Resources, LLC  
 Street 997 County Road 203  
 City, State, Zip Code Seminole, TX 79360

1a. Transferor Robert H. Forrest, Jr.

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on page 2 of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on page 2, if needed. Do not submit documents or agreements other than this form, such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 24 South, Range 36 East, N.M.P.M. Section 22: NW/4, NW/4SW/4  Lea County, New Mexico containing 200 acres, more or less from the surface down to the base of Grayburg Formation.  In the event there is a conflict between the terms of this Assignment and the Assignment recorded in Lea County, NM, then the terms contained in the County Assignment shall prevail	100%	100%	-0-	-0-	Existing burdens of record

**FOR BLM USE ONLY – DO NOT WRITE BELOW THIS LINE**  
 UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective FEB 01 2016

By Gourdes B. Ortiz  
 Bureau of Land Management (BLM)

LAND LAW EXAMINER  
 FLUIDS ADJUDICATION TEAM FEB 10 2016  
 (Title) (Date)

Part A (Continued) ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Descriptions in Item 2, if needed.

**PART B – CERTIFICATION AND REQUEST FOR APPROVAL**

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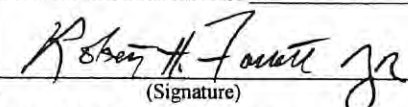
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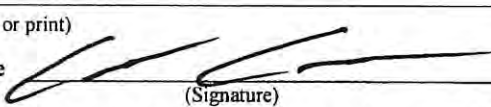
I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this \_\_\_\_\_ day of December 2015

Executed this 31<sup>st</sup> day of December 2015

Name of Transferor as shown on current lease Robert H. Forrest, Jr.

Transferor   
(Signature)

(Please type or print)  
Transferee   
(Signature)

Robert H. Forrest, Jr. (Owner - Individual)  
(Title)

Manager - Cress Green Energy Resources, LLC  
(Title)

or  
Attorney-in-fact \_\_\_\_\_  
(Signature)

or  
Attorney-in-fact \_\_\_\_\_  
(Signature)

609 Elora Dr.  
(Transferor's Address)

Carlsbad NM 88220  
(City) (State) (Zip Code)

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