

Producers 88 Special T. O. P.

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of February 19 40 by and between
Charles M. Cree and his wife, Cato Wells Cree
of Santa Fe, New Mexico
hereinafter called lessor (whether one or more) and John F. White

hereinafter called lessee:

WITNESSETH: That the said lessor, for and in consideration of XXXXXX Dollars, cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee for the sole and only purpose of mining and operating for oil and gas and of laying of pipe lines, and of building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the County of DeBaca and Guadalupe State of New Mexico described as follows, to-wit:

North half of north half (NE 1/4 of 1/4) section 31 and northeast quarter of south-
west quarter (NE 1/4 of SW 1/4) section 32 and north half of southeast quarter (NE 1/4 of
SE 1/4) section 32 and southwest quarter (SW 1/4) section 33 and southeast quarter
southeast quarter (SE 1/4 of SE 1/4) section 33 and south half of southeast quarter
(S 1/2 of SE 1/4) section 34 and southeast quarter of southwest quarter (SE 1/4 of SW 1/4)
section 34 and south half of south half (S 1/2 of S 1/2) section 35 . T. 5.
R. 22.. E. said land being situated in Guadalupe New Mexico and Lots 3 & 4
section 2 and lots 1 & 2 & 3 Sec 3 SW 1/4 of SW 1/4 section 4 and S 1/2 of SE 1/4 & SE 1/4 of SW 1/4 sec
5 and NE 1/4 section 12. T. 4. N. R. 22. E said lands being situated in DeBaca Coun
N.M. XXX
of Section XXXX Township XXXX Range XXX and containing 1280 acres, more or less.

It is agreed that this lease shall remain in force for a term of 4 months from this date, and as long thereafter as oil or gas or either of them is produced from said land by lessee.

In consideration of the premises the said lessee covenants and agrees:

- 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth part of of all oil produced and saved from the leased premises.
- 2nd. To pay lessor one-eighth (1/8) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8), payable monthly at the prevailing market rate for gas; and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling on said land during the same time, by making lessor's own connections with the well at lessor's own risk and expense.
- 3rd. To pay lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

If no well be commenced on said land on or before the 10th day of March 19 40 this lease shall terminate as to both parties, unless the lessee shall on or before that date pay or tender to the lessor or to the lessor's credit in the Bank at XXXX or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of XXXX Dollars, which shall operate as a rental

and cover the privilege of deferring the commencement of a well for XXXX months from said date. The payment herein referred to may be made in currency, draft, or check at the option of the lessee; and the depositing of such currency, draft or check in any post office, with sufficient postage and properly addressed to the lessor, or said bank, on or before said last mentioned date, shall be deemed payment as herein provided. In like manner and upon

XXXX like payments or tenders, the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals, in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals as above provided, that the last preceding paragraph hereof governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land, for lessee's operations thereon, except water from the wells of lessor. and springs

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned—and the privilege of assigning in whole or in part is expressly allowed—the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignments of rental or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rental, and this lease shall never be forfeited for non-payment of any rental due under this lease, and ten days written notice by registered mail or in person shall have been given to the lessor.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

It is understood that the lessor herein is including in this lease
only his undivided three fourth (3/4) interest in the mineral rights
therein .

IN TESTIMONY WHEREOF WE SIGN, This the 5th day of March 19 40

Witnesses:

Bessie Coker
Juanita Cain

Charles M. Cree
Monte Cato Wells Cree
John F. White

STATE OF New Mexico }
COUNTY OF Santa Fe } ss.

ACKNOWLEDGMENT, Applicable where lands are in Oklahoma, Kansas, Nebraska, South Dakota, Arizona and New Mexico.

BE IT REMEMBERED, That on this _____ day of February A.D., 19 40, before me, a Notary Public in and for the County and State aforesaid, personally appeared Charles M. Cree and his wife Monta Cato Wells Cree to me known to be the identical person S described in and who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.
My commission expires _____ Notary Public.

STATE OF TEXAS, }
County of _____ } ss.

TEXAS FORM OF ACKNOWLEDGMENT

Before me, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.
And I further certify that on the same day personally appeared before me _____ wife of _____, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said _____, acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.
Given under my hand and seal of office this _____ day of _____ 19_____
My commission expires _____ Notary Public.
Notary note: If lessor is single strike out paragraph 2. P. O. _____, Texas.

STATE OF _____ }
COUNTY OF _____ } ss.

ACKNOWLEDGEMENT, CORPORATION

Before me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____ 19_____, personally appeared _____ to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.
Given under my hand and seal of office the day and year last above written.
My commission expires _____ Notary Public.

P. O. _____

No. _____	Producers 88 T.O.P.
Oil and Gas Lease	
FROM _____	TO _____
Dated _____ 19____	Block _____ Addition _____
Lot _____	Section _____ Township _____ Range _____
No. of Acres _____	County _____
Term _____	STATE OF _____ } ss.
County of _____	County of _____
This instrument was filed for record on the _____ day of _____ 19____	
at _____ o'clock _____ M., and duly recorded	Page _____ of the
in Book _____	records of this office.
County Clerk—Register of Deeds.	By _____ Deputy.
When Recorded _____	Return to _____
Printed in New Mexico—Whiteman's, Clovis.	

OKLAHOMA FORM OF ACKNOWLEDGMENT WHERE GRANTOR SIGNS BY MARK
NOTE—With reference to Oklahoma lands, when this instrument is signed by a person who cannot write his name he shall execute the same by his mark, and his name shall be written near such mark by one of two persons who saw such mark made, who shall write their names on such instrument as witnesses.

STATE OF New Mexico }
County of DeBaca } ss.

On this 20th day of February A. D. 19 40 before me, the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared John F. White and _____ to me known to be the identical person _____ who executed the within and foregoing instrument by _____ mark _____, in my presence and in the presence of _____ and _____ as witnesses, the said _____ signing the name _____ of the said _____ and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.
Given under my hand and seal the day and year last above written.
My commission expires April 2 1940 [Signature] Notary Public.