

MEMORANDUM OF OIL AND GAS LEASE

THIS Memorandum of Oil and Gas Lease (hereinafter called "lease") is entered into effective as of the 5th day of August, 1994 between SANTA FE PACIFIC GOLD CORPORATION, whose address is 6200 Uptown Blvd. NE, Suite 400, Albuquerque, New Mexico 87110 (hereinafter called "Lessor") and SANTA FE ENERGY RESOURCES, INC., whose address is 1616 South Voss, Suite 1000, Houston, Texas 77057 (hereinafter called "Lessee"),

WITNESSETH:

Lessor, for and in consideration of the payment by Lessee of the sum on One and No/100 Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, has granted, demised, leased and let and does by these presents grant, demise, lease and let unto the said Lessee for the sole and only purpose of exploring, mining, drilling and operating for the production of oil, gas, casinghead gas and all other gaseous or liquid hydrocarbon substances and all other mineral substances produced in association therewith, including helium and CO2 and laying pipelines, building tanks, power stations and structures thereon to produce, save, take care of, treat and transport all of said products in, on or under certain tracts of land in the county of Sandoval, State of New Mexico, more particularly described in attached Exhibit "A".

THIS lease is made for the term and upon and subject to each and all the terms, provisions, covenants and conditions set forth in the certain Oil and Gas Lease of even date herewith between the parties hereto covering the land described on the attached Exhibit "A", and said Oil and Gas Lease is hereby incorporated herein with the same force and effect as though herein set forth at length.

IN WITNESS WHEREOF, said parties have caused this lease to be duly executed as of the date first hereinabove written.

LESSOR:

SANTA FE PACIFIC GOLD CORPORATION

By: D.K. Hogan
Vice President

LESSEE:

SANTA FE ENERGY RESOURCES, INC.

By: H. L. Boyt
H. L. Boyt
Sr. Vice President, Production

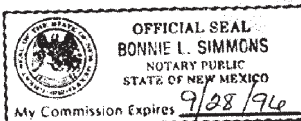
STATE OF NEW MEXICO } ss	
COUNTY OF SANDOVAL }	
This instrument was filed for record on	
AT:	
9:45	SEP 1 1994 (AM) P.M.
Recorded in Vol. <u>MCC 317</u>	
of records of said county, folio <u>657</u>	
Sally Padilla, Clerk & Recorder <u>WES</u>	
By: <u>inh</u>	Deputy

STATE OF NEW MEXICO §
§
COUNTY OF BERNALILLO §

BEFORE ME, Bonnie L. Simmons, a Notary Public in and for the State and County, on this day personally appeared D. K. Hogan, Vice President of SANTA FE PACIFIC GOLD CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration and in the capacity therein expressed, and as that act and deed of said corporation.

Given under my hand and seal of office this 31st day of August, 1994.

My Commission expires:
September 28, 1996

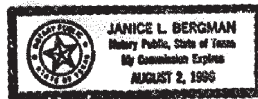


Bonnie L. Simmons
Notary Public

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 30th day of August, 1994 by H. L. Boyt, Sr. V.P., Production of SANTA FE ENERGY RESOURCES, INC., a Delaware corporation, on behalf of said corporation.

My Commission expires:
Aug 2, 1996



Janice L. Bergman

657

deblumcro@g

CERTIFICATION
 All microphotographic images of documents on this film strip are of authorized documents in the possession of this agency as noted in the statement of certification on file at this agency. These documents are routinely processed and certified as a necessary operation in the generation of an Involuntary document file.
 Tosie Parra
 Camera Operator
 Date of Filing: 8-4-94

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT OIL AND GAS LEASE DATED AUGUST 5, 1994 BETWEEN SANTA FE PACIFIC GOLD CORPORATION, AS LESSOR, AND SANTA FE ENERGY RESOURCES, INC., AS LESSEE

	<u>Acres</u>
<u>Township 13 North, Range 2 East</u>	
Section 3: All	641.28
Section 4: All	640.48
Section 9: All	640.00
Section 10: All	640.00
Section 11: W/2 E/2, W/2	480.00
Section 11: E/2 E/2	160.00
Section 14: All	640.00
Section 15: All	640.00
Section 21: All	640.00
Section 22: All	640.00
Section 23: W/2 E/2, W/2	480.00
Section 23: E/2 E/2	160.00
Section 26: All	640.00
Section 27: All	640.00
Section 28: All	640.00
Section 33: Lots 1-4, N/2	543.68
Section 34: Lots 1-4, N/2	543.78
Section 35: Lots 2,3,4, W/2 NE/4, NW/4	407.54
Section 35: Lot 1, E/2 NE/4	135.78
Total Acres More or Less	<u>9,952.54</u>

All in Sandoval County, New Mexico

658

Tosie Paria
Census Operator
Date of Birth: 9-4-94

ALL microphotographic images of documents on this film strip are of authorized documents in the possession of this agency as noted in the statement of document certification on file at this agency. These documents are routinely microfilmed as a necessary operation in the generation of an inventory document file.